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THE ECONOMIC HISTORY
OF ENGLAND

BY E. LIPSON

THE ECONOMIC HISTORY OF ENGLAND
VOL. I. THE MIDDLE AGES. *Eighth edition*
VOLS. II. & III. THE AGE OF MERCANTILISM. *Third edition*

THE HISTORY OF THE
WOOLLEN AND WORSTED INDUSTRIES

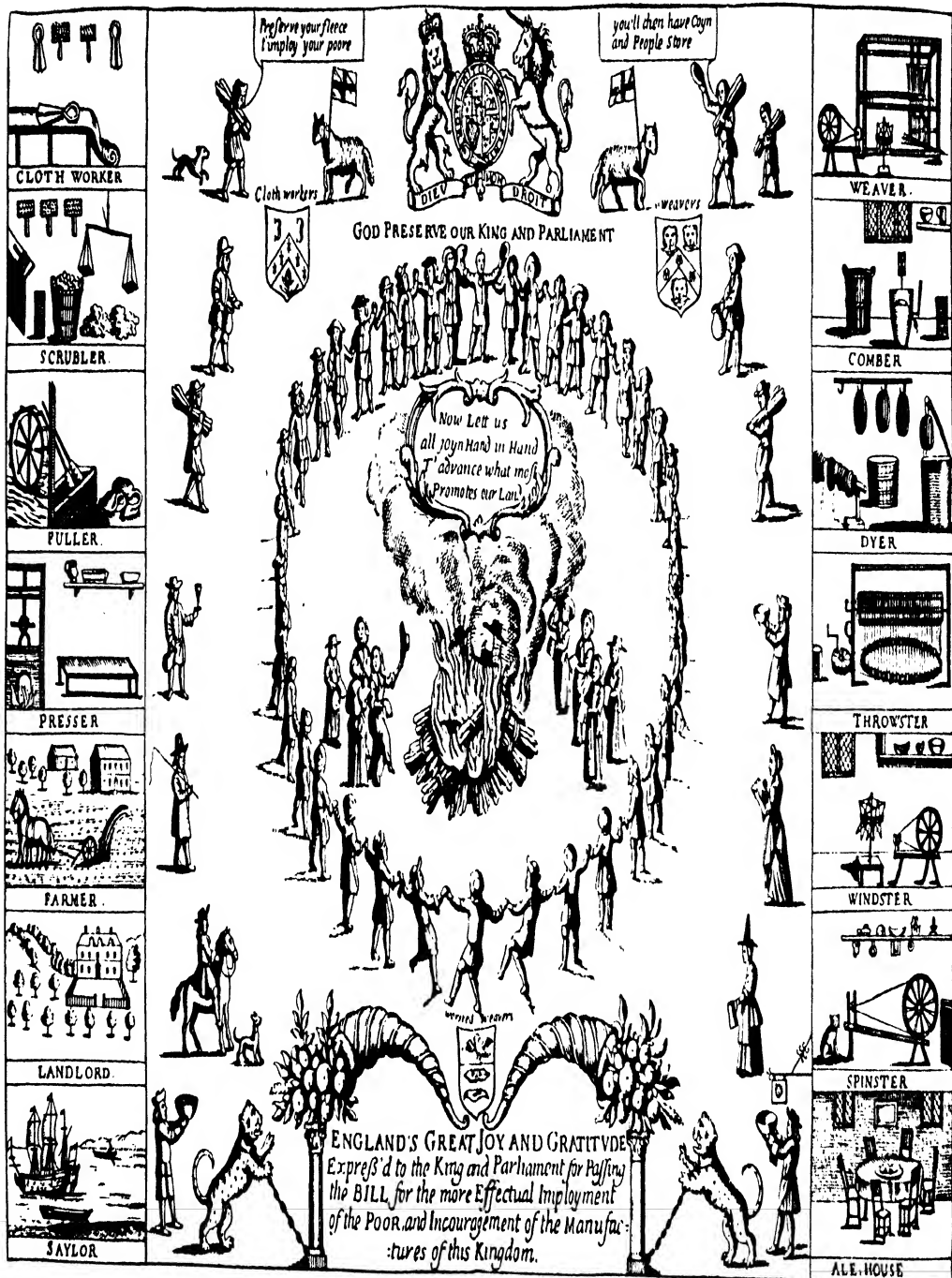
EUROPE IN THE XIXTH CENTURY*
1815-1914
Sixth edition

EUROPE, 1914-1939*
Second edition

* These two also in one volume, *Europe in the
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A SEVENTEENTH-CENTURY BROADSIDE ILLUSTRATING THE PROCESSES OF THE WOOLLEN AND WORSTED INDUSTRIES.

THE ECONOMIC HISTORY OF ENGLAND

BY
E. LIPSON

VOLUME II
THE AGE OF MERCANTILISM

Third edition, revised and enlarged

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PREFACE TO THE THIRD EDITION

THE new features of this revised and enlarged edition comprise an Introduction of a hundred and fifty pages and two Appendices of nearly a hundred pages, together with numerous changes in the Text and Notes.

The Introduction is designed to provide a synthesis and an interpretation of the various aspects of England's economic development from the close of the Middle Ages to the 'Industrial Revolution'. At the present day the need for a Planned Economy has become the subject of much discussion. It is therefore of more than academic interest to turn back to the notable period in English History when there was a sustained effort to make the conception of an 'ordered commonwealth' a concrete reality; and when the principles of a regulated industry, agriculture and trade, were very far from being abstractions and embodied a national policy explicitly enunciated and consciously pursued. In the Introduction, as one of its themes, I have sought to set England's first Planned Economy in a clear historical light, and to elucidate the forces which replaced the traditional economic structure by a regime of Free Enterprise. Another theme is the revision of conventional views on the older English society on the basis of the material contained in these volumes. I may add that the Introduction is an expansion of the Lowell Lectures which I had the privilege of delivering at Boston in the United States. A few paragraphs are reprinted from an Article on "England in the Age of Mercantilism" contributed to the *Journal of Economic and Business History* (August 1932), which presents a brief summary of some of my main conclusions.

Except in special cases there are in the Introduction no

cross-references to the Text, since almost every sentence would require one, but references are indicated where they are needed to supplement those embodied in the Text.

The two Appendices furnish additional information drawn from original sources. In them I have taken account of the work done in recent studies on specialized topics.

The cross-references given in these two volumes to the first volume on "The Middle Ages" have been revised to bring them into conformity with the altered pagination of the enlarged (seventh or subsequent) edition of Volume I. I have also added a supplementary list of Authorities. For the frontispiece, a seventeenth-century illustration of the processes of the woollen industry, I am indebted to the late Sir Charles Firth.

The modern historian, in these days when the devoted labours of scholars are constantly unearthing new material or re-interpreting the old material in a fresh light, can hardly entertain the belief that his work will be "an everlasting possession". He must rest content with the hope that it may survive, *monumentum aere perennius*, in the writings of those who build upon his foundations. Notwithstanding, "if he who desires to have before his eyes a faithful picture" of the evolution of English society—the fruits of half a lifetime's research—"shall pronounce what I have written to be useful, then [I quote the words of Thucydides] I shall be satisfied".

E. LIPSON

April 1943

PREFACE TO THE FIRST EDITION

THE reception accorded to the first volume has encouraged me to attempt a further instalment. The delay in publication is owing to various causes—the pressure of other duties, the range of the material which I have endeavoured to lay under contribution, and the strain which the task has placed upon health none too robust. That these volumes appear at all, in spite of many difficulties, is due to the oft-repeated wish of some who read the first volume that I should continue this History. Now the continuation is in their hands, I can only express the sincere hope that it may not unduly disappoint any expectations which they may have formed.

These volumes cover the period extending from the accession of Queen Elizabeth to the 'Industrial Revolution' and the 'Agrarian Revolution' of the later eighteenth century. In each section I have chosen what seemed to be the most appropriate point of conclusion.

For my interpretation of the term, Domestic System, I may be permitted to refer to an Essay which I have contributed to the volume *In onore e ricordo di Giuseppe Prato*, published by the University of Turin.

It remains to give my warm thanks to those who have helped in reading the proofs, to Miss J. de L. Mann, and to my former pupils, Miss A. Moller, G. P. Ambrose, and A. D. Gayer. For their unfailing attention to detail, I owe to Messrs. A. and C. Black the gratitude which those who have the good fortune to publish their books with them will readily understand.

E. LIPSON

NEW COLLEGE, OXFORD
22nd April 1931

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INTRODUCTION

THE motif of this work is contained in the following passage. *Continuity of economic development.*
“ In the interpretation of the past we must not isolate the different phases of economic growth into water-tight compartments. There is no hiatus in economic development, but always a constant tide of progress and change in which the old is blended almost imperceptibly with the new ” ¹. Historians have sometimes shown a tendency to stress only the points of dissimilarity between the ‘ stages ’ of evolution, and to leave in the shade the fundamental resemblances which often lie beneath the surface. Perhaps the most pregnant conclusion, which emerges from the study of Economic History, is that we must conceive of the economic system as a living organism which throughout the ages has functioned and developed by the process of unceasing change and adaptation to circumstances. Each generation is the heir of the past, and in turn bequeathes the setting wherein its successor may work out its own specific contribution to human progress. Certainly the main impression conveyed by the material presented in these two volumes is a sense of the continuity of economic development. A survey of the older English society reveals that the so-called ‘ Industrial Revolution ’ constituted no sudden breach with the existing order. Mercantilist England had already evolved many of the capitalist traits associated with Modern England ; while the beginnings of the free trade movement and the relaxation of the traditional restraints on freedom of enterprise were due to the growing influence exerted by the capitalist classes upon the commercial and industrial policy of the State, rather than to the theoretical considerations advanced by Adam Smith.

¹ *Infra*, vol. iii. 53.

Synopsis. It is the purpose of this Introduction to review the salient features of the economic structure of society, the trend of economic statesmanship, and the phases of economic thought during the Age of Mercantilism—an epoch which covers the two hundred and fifty years that lie between the middle of the sixteenth and the close of the eighteenth century.

(I)

*Factors in
English
society.*

Two factors have contributed to the making of English society. One is the factor of co-operation : the other is the factor of individualism. The Englishman is generally looked upon as an individualist *par excellence*, accustomed to plough a lonely furrow in the conduct of his economic affairs ; and it may therefore seem strange to picture him as a member of a disciplined community acting in the closest relations with his fellows. In the England of the nineteenth century the tide of individualism attained its high-water mark : in the England of the present day the tide is fast receding. Many branches of the national economy are beginning to assume a corporate aspect : individualism is not extinguished but it is being merged in association. A new England is thus in the process of formation, yet it can be considered new only if we compare it with the England of the ' Industrial Revolution ' and the nineteenth century. In reality, it is an England which is returning to the spirit of an older regime based on co-operation, where the individual was subordinated to the village or gild community and all his pursuits were regulated in collaboration with his peers.

*The Age of
Mercan-
tilism.*

The Age of Mercantilism was one of transition : it was the battleground in which was fought out the conflict between two rival conceptions of the social order. In the Middle Ages the individual lived an ordered economic life as the member of a highly-organized profession : in the nineteenth century, when the competitive instinct proved too strong for the restraining hand of the legislature, he was liberated from the shackles of authority. Mercantilist England stood at the parting of the ways. A new fabric was slowly being fashioned out of the ruins of the old, but

the transition from the mediaeval to the modern world was still incomplete. Let us recall to mind the traditional framework of English society, and then we may examine the influences which were responsible for its disintegration.

The village community of the Middle Ages constituted an agrarian partnership. The occupiers of the soil were shareholders in an agricultural concern, and their 'shares' consisted of scattered strips of arable land together with rights of usage over the waste and meadow. When the seventeenth century began its turbulent course, individualism had made great inroads upon the communal system; and in many localities the partnership had been dissolved. Nevertheless a considerable part of the realm was covered with open fields, where no man was 'truly master of his own' and the control was vested in an association of shareholders: the course of husbandry, the rotation of crops, the seasons of ploughing, were settled by common agreement: the whole rhythm of village life was determined by joint decisions. England in the Age of Mercantilism was predominantly a nation of agriculturalists; and until the enclosure movement was accelerated under the Hanoverians these agriculturalists in a large measure formed a co-operative commonwealth, in which a detailed code of by-laws was laid down for their guidance by the village courts. After the development of town life in this country, it was natural that the rural elements—who usually comprised the nucleus of the embryonic municipal bodies in the capacity of artisans and traders—should enter into the same relationship with each other as they and their forebears had been accustomed to in an agrarian environment. The instinct of the mediaeval Englishman was to act in concert with his fellows in his undertakings, and its strength was fortified by the conditions under which the early towns grew up. Exclusive franchises were conferred upon the boroughs, and for its grant of concessions the Crown exacted a price: it was therefore inevitable that the townsmen should seek to confine participation in their privileged position to those who were willing to bear their share of the fiscal burdens. The corporate functions of the urban community found a vehicle

The factor of co-operation.

in the historic gilds—the merchant gilds and craft gilds ; and the latter governed trade and industry, like the village courts directed the affairs of the rural community. We shall see presently that after the close of the Middle Ages the craft gilds survived as a force with which to be reckoned. Their power and prestige had diminished, but they embodied a living tradition of joint action, and they continued to exercise a very real though limited degree of authority. In the sphere of foreign commerce similar influences made themselves felt. The Englishman conducted his business abroad not as an individual but as the member of a semi-official body whether Merchant Staplers or Merchant Adventurers. While the members of a company ‘adventuring’ overseas traded each on his own, they were subjected to a common discipline. They were bound by ordinances of an all-pervasive kind, which dictated to them in what centres they might market their goods, in what quantities, and with what stipulations.

Its persistence.

When the invention of printing and the discovery of America combined with the Renaissance and the Reformation to usher in the modern era, the corporate character of mediaeval society still persisted. The traditional fabric could not readily be discarded ; and to the naked eye England in the opening decades of the Age of Mercantilism, as in the Middle Ages, seemed to be a land whose economic life was organized on a communal basis. Her agriculture was regulated by the village courts, and her industry by the craft gilds ; while the principle of association was extended to new branches of foreign commerce, so that Bacon even concluded that “ trading in companies is most agreeable to the English nature ”. Actually this corporate system had been undermined by the subtle penetration of the spirit of individualism.

The factor of individualism.

The progress of individualism was for a long period so unobtrusive that it has largely escaped the attention of historians altogether. The conventional view, which is widely held, portrays a primitive economy functioning for a local market. England almost down to the nineteenth century is represented as a country of peasant cultivators

where there was little industry and less trade, though it had a network of independent artisans whose chief interests were agricultural. The industrial community, according to the current impression, was composed of small producers—handicraftsmen who worked under their own roof on their own materials and with their own tools, assisted by their families or a hired journeyman and apprentices, dividing their time between their cottage workshops and their farms, and supplying the neighbourhood with rude and unspecialized wares. A sprinkling of capitalists lurked obscurely in the background but they were not considered an integral, and much less an important, element in the older structure. An Article in a standard *Dictionary of Political Economy* explains how until near the end of the eighteenth century “ the general character of industry in England presented broadly the same features as those which it had exhibited during the greater part of the Middle Ages. . . . Manufacturing industry was carried on with few exceptions by craftsmen working with their own hands in their own homes, although . . . some capitalist employers existed. . . . Employment, such as it was, was regular ; fashions varied slowly and slightly ; and men produced in the main, though not exclusively, for a market which was close at hand ”. Corresponding to this account of an immature industry is the picture drawn of English foreign trade in a book written by an economist of distinction : “ [Before the nineteenth century] there were very limited manufactures in our present sense of the term, no ships to carry our superfluous goods, no foreign demand for them, no admission to other countries. . . . In fact, in the eighteenth century foreign trade was of so little importance to the majority of the inhabitants of England that, but for some importation of wheat, the whole might have been destroyed without making any appreciable change in the habits or wealth of the people ; the rich would have been deprived of some luxuries, the poor of very few, a small class of traders would have been affected, and an unimportant branch of revenue destroyed ; but no other result would have followed ”. In the state of knowledge implied by these quotations, it is not surprising that the introduction of

machinery is generally regarded as the beginning of modern economic life, just as the French Revolution is viewed as the beginning of modern political life. According to the common belief the inventions constitute the starting-point of our present industrial society. It is usual to trace to them all the phenomena that appear to be most characteristic of the prevailing economic and social order. Capitalism, factories, large-scale production, world-wide markets, trusts, cartels, credit instruments, trade cycles, unemployment, the industrial proletariat and trade unions—these are supposed to have come into existence with the adoption of power-driven machinery not very much more than a hundred years ago. Beyond the 'Industrial Revolution' the historians depicted centuries of slow and imperceptible growth during which the face of England remained almost unchanged. A static society slumbered in blissful unconsciousness of the dynamic forces which the invention of the steam engine was destined to let loose upon it. A fanciful picture, which has long passed for authentic history, of a backward community suddenly convulsed by uncontrollable economic impulses, and upon which there descended, like a bolt from the blue, a whirlwind of inventions bringing in their train the capitalist system, the factory system, the wage system, exploitation of labour and social strife.

*Progressive
tendencies.*

One difficulty in accepting the popular interpretation of England before the 'Industrial Revolution' lies in the astonishing contrast, which it presents, between an arrested state of social development and the outstanding achievements in the domain of literature, of politics, of exploration and colonization. It raises the natural question why the energetic qualities of the English genius found scope in every sphere except one. The answer can only be that the implied antithesis of a vigorous national movement in thought and action on the one hand, and economic stagnation on the other, is false. As early as the fourteenth century there was a quickening of activities although it became more marked in the fifteenth century; and spirited pioneers were already finding opportunities for enterprise in agriculture as well as in industry and commerce. The

break-up of the manor, the modifications in the customary routine of husbandry, the expansion of textile production, and the foundation of trading companies, all bear witness to the influence of progressive tendencies. When we turn to the sixteenth, seventeenth and eighteenth centuries nothing more remote from historical truth than the stereotyped descriptions can well be imagined. There is a wealth of material to demonstrate that the Age of Mercantilism had a vigorous manufacturing and mercantile life of its own, in which striking economic resemblances to the modern pattern may be fairly set against the social dissimilarities born of the factory system. The predominant form of industrial organization, the domestic system, was essentially a capitalist system ; and this supremely important fact must deeply colour our interpretation of the ' Industrial Revolution '. The latter involved no violent breach with the past. It produced consequences of profound significance arising from the application of steam power to industry and transport, and from the concentration of workers in factories ; but it did not give birth to an entirely different regime based on the cleavage between capitalist employers and proletarian wage-earners. Much that is reputed novel in our economic structure is in reality old : its earlier phases, as will be seen, exhibit phenomena identical with those which we are apt to consider peculiar to the nineteenth and twentieth centuries. Hence, to complete the picture of the environment in which Mercantilist England moved, we must observe the revolutionary changes brought about by the dissolving influences of individualism.

Individualism as a force in English society is almost as old as the corporate system itself. Yet for centuries it remained the weaker force, and it sought to express itself inside the communal shell and not apart from it. In the village it manifested itself in the husbandman who added acre to acre in the open fields, or carved a holding out of the waste land, or accumulated a stock of corn for sale in the urban market, or purchased his emancipation from labour services. The notion that mediaeval rural economy was unprogressive is a travesty of the actual conditions which pre-

*Early
manifestations of
individualism.*

veiled. The permeation of a commercial outlook had relaxed its rigidity and created an atmosphere favourable to more elastic arrangements. The increasing mobility of real property gave rise to a land market, in which holdings or fractions of holdings exchanged hands freely : an incipient capitalism began to undermine the basis of the village community by shattering the primitive equality of the original shareholders in the common fields : the customary system of tillage, responding to the growing demand for wool and corn, showed signs of breaking down under the gradual spread of piecemeal enclosures and profit-making husbandry. There are, indeed, abundant signs that a more vigorous peasantry was springing up under the spur of a restless individualism. In the towns the spirit of initiative was revealed in the enterprise of those who outstripped their fellows in the race, who raised themselves to wealth and honour, who developed the woollen manufacture, who opened up markets abroad, all the while retaining their status as members of the merchant guilds and craft guilds. Alike in agriculture, industry and trade, there were pioneers of a brave new world and opportunities for the penetration of a capitalist mentality. But the great transformation was brought about when individualism was no longer content to play a subordinate part, when it strove to free itself from the tangled network of communal regulations, and to become an independent and even the predominating element in the life of the nation. The far-reaching consequences exerted by this development upon the national economy and public policy were momentous. To contemporaries they sometimes appeared like a convulsion of nature. In agriculture the conflict came to a head between those who wished to preserve, and those who aspired to destroy, the historic field systems. As the result of an immense acceleration of pasture-farming, the open fields with their intricate pattern of proprietary rights and antiquated practices were swept away in a torrent of commercialism. Even when their survival preserved in an attenuated form the control of the village community, the latter was only a vestige of the powers once enjoyed by the agrarian courts. In the boroughs

the craft gilds, whose regime was consecrated to the principle of stability, vainly endeavoured to discourage the growth of capitalism among their members by limiting the number of apprentices and prohibiting excess of competition. When opportunity came knocking at the door, the more enterprising gild-brethren, ambitious to pass their rivals in the race and become large employers of labour, were able to set authority at defiance by moving to outlying districts where the writ of the craft gilds did not run. Thus in agriculture and industry an insurgent individualism was in revolt against the cramping restrictions of a communal society. Alone in foreign commerce the corporate system persisted in its old strength and actually extended its province in new directions, owing to the unique circumstances in which oversea trade was carried on, though the independent traders—or interlopers as they were called—were growing in numbers and self-assertion.

The sphere of industrial organization furnishes the most signal example of individualism emancipating itself from the traditional checks and restraints of an environment hide-bound by custom. It is doubtless true that seventeenth and eighteenth-century England counted numerous small producers wedded to the antiquated methods inherited from their forebears. They also exist in twentieth-century England, for it is erroneous to suppose that large producers employing hundreds or thousands of men monopolize the whole field. In many occupations at the present day the average number of operatives employed by a firm is remarkably few¹, and in France it is still fewer. None the less it was not the small producer who, before the Middle Ages had run their course, converted England into an industrial country of which the staple export was no longer raw materials but manufactured goods. It was not the small producer whose highly specialized fabrics displaced the products of Flanders, once a workshop of the mediaeval world, and found a market in every known quarter of the

*The 'ad-
venturing'
spirit.*

¹ There are, for instance, numerous small undertakings in the textile industries: *Report of the Balfour Committee on Industry and Trade; Survey of Textile Industries* (1928), 176.

globe. It was not the small producer who transformed English towns from squalid and sparsely inhabited villages into prosperous urban communities with fine gild halls, hospitals, market crosses and 'bar gates', or whose piety covered the countryside with the magnificent churches which excite our admiration. These changes were wrought by the 'adventuring' spirit of the 'captains of industry'—such as the fifteenth-century Tame of Fairford, who as a sheep-master raised his own material and as a manufacturer worked it up into cloth.

*'Captains
of indus-
try' and
merchant
princes.*

The advent of the large producer, in the premier industry of the country, dates as far back as the fourteenth century; and by the end of the Middle Ages the great body of workers engaged in cloth-making depended upon the discretion and foresight of a capitalist class. Even a factory system emerges into the light of day in the sixteenth century. John Winchcombe of Newbury, pronounced by Fuller to be "the most considerable clothier (without fancy and fiction) England ever beheld", gathered weavers, spinners and carders under one roof.

"Within one room being large and long
There stood two hundred looms full strong".

William Stumpe took over Osney Abbey and Malmesbury Abbey, where (wrote Leland) "every corner of the vast houses of office that belonged to the abbey be full of looms". Tuckar of Burford, who "daily employs five hundred of the king's subjects", sought to gain possession of Abingdon Abbey. Other great industrialists whose names have come down to us include Humphrey Chetham of Manchester, Peter Blundell of Tiverton, the Springs of Lavenham, and Thomas Dolman of Newbury. Indeed abundant evidence testifies that the capitalist spirit, as evinced in the conception and execution of speculative undertakings, is older than the 'Industrial Revolution'. In addition to the 'captains of industry' just mentioned, there were far-sighted merchants such as Sir Edward Osborne who played a leading part in establishing trade with the Levant, and financiers such as Sir Thomas Gresham who negotiated Government loans

and manipulated the foreign exchanges. In the seventeenth century many notable men rose into prominence—among them Sir Edwin Sandys a principal member of the Virginia Company, Sir Josiah Child the chairman of the East India Company, and Sir Ambrose Crowley the famous ironmaster. One example of capitalist enterprise in the reign of William III. discloses a type which is often viewed as the creation of modern finance. This was Alderman Sir Joseph Herne—a financier through whom the English Government subsidized its Allies in the war against France, an army contractor, a company promoter, a merchant and a shipowner. Ambitious men pushed themselves up from the ranks, carved out a career, and acquired a controlling interest in capitalist concerns. The history of a peasant family in Northumbria furnishes an illustration. The founder, James Cole, lived in the reign of Elizabeth: he was a blacksmith who developed into a tradesman selling fish and grindstones. His son, Thomas, extended his operations by laying out his money at interest, and he bequeathed much of his fortune to his nephew, Ralph, a grandson of James. Ralph migrated to Newcastle, invested his wealth in collieries, and became one of the chief coal-owners on the Tyne. The careers of the 'captains of industry' and merchant princes, whose names are here recorded, reveal the heights which men of commanding ability could scale either by their natural gifts or by their seizure of opportunities. The rank and file of the business world did not win the glittering prizes that are reserved for the chosen few, though upon their shoulders was reared the broad structure of industry and commerce. The important role of the shopkeeper—the indispensable link in the chain which connects the producer with the final consumer—still awaits its historian, but the autobiography of William Stout (1665–1752) allows us to follow step by step the course of one successful shopkeeper in a provincial town. It indicates how diligence and thrift enabled retailers to build up a substantial competence, and to pass into the higher grade of wholesale dealers and sometimes of merchants 'adventuring' abroad.

It is our design in these volumes to show that Mercantilist

*Emergence
of the entre-
preneur.*

England possessed a complex society, which functioned in an increasing measure under business leadership and bore many of the hall-marks of a capitalist system. The entrepreneur had emerged as the outstanding figure, and his activities were writ large over the whole field of economic endeavour, alike in the staple industries of the realm (cloth, coal and iron), in over-sea trade and in the domain of public policy. His influence gradually permeated every branch of the national economy. The mediaeval fabric was profoundly modified in order to afford scope for his enterprise : the chartered boroughs were forced to surrender their monopolistic claims so that he might draw upon cheaper supplies of labour in rural areas : the official regulation of industry was discredited by the steady advance of *laissez-faire* principles. The entrepreneur was the powerful dissolvent of a communal regime which had been organized on the basis of craft guilds and village courts : he was equally the architect of the new England which rose upon the ruins of the old order. For good or evil it was the forces of individualism which marked out the path of progress, and won for this country the distinctive status which it enjoyed long before the nineteenth century. When the steam engine was harnessed to industry and transport it found an environment prepared for its reception—above all, a class of entrepreneurs accustomed to large-scale production, the handling of labour, the utilization of credit instruments, the dependence on imported materials and the requirements of distant and varied markets. The ' Industrial Revolution ' came first to England primarily ¹ because she already had a rich and diversified economic life, and—more than any other nation—had developed her industrial, commercial and banking institutions on lines which facilitated an extensive outlay on machinery and buildings. In short, the inventions were not the product of a primitive community absorbed in agricultural pursuits, but the mature achievement of an advanced community in which industry and commerce had become fruitful sources of wealth. If we destroy the legend that the inventions abruptly revolutionized the character and structure of English society, we can at least put in

¹ For the causes of the ' Industrial Revolution ', see *infra*, pp. cxxxix. *seq.*

its place a more rational interpretation in which they appear as a natural phenomenon in harmony with the historical setting, and as the climax of centuries of steady growth.

The rise of individualism and the advent of capitalism cannot be explained alone in terms of self-interest, although the acquisitive instinct has been in all ages a potent influence in shaping economic conduct. The explanation must be sought primarily in the impersonal and imponderable forces which govern the affairs of men. Three main factors have contributed to the evolution of a capitalist society: they are the extent of the market, the division of labour, and the nature of the processes. In the first place, a local market may easily be supplied by independent bodies of craftsmen. In the second place, where the division of labour is small, co-operation may be possible between the various groups of artisans without bringing them under unified direction. In the third place, when the processes require only a negligible amount of fixed capital in the form of appliances, it may be provided by the workers themselves. In the light of these factors we can best account for the development of industry on capitalist lines. An ever-widening market and a corresponding advance in production called for an intricate organization, while it also made the investment of capital a profitable venture; the division of labour in the textile manufacture seemed to necessitate a closer cohesion of its interdependent branches; and in certain occupations the capital expenditure increased as the processes grew more difficult, for instance, in coal-mining and glass-making. The decisive influence was the first. Though the division of labour was more widespread in earlier times than is often supposed, it was not incompatible with the independence of the craftsman, and it would not indicate the reason why particular industries came within the capitalist orbit in the Middle Ages. Again, the costly processes now involved in operating coal mines, glass furnaces, etc., were intimately related to changes which occurred in the sphere of marketing, that is, to changes in demand either in respect of quantity

*Origin of
capitalism.*

or quality. Thus it was chiefly the dissolving tendencies of an expanding market that sapped the foundations of the gild system, which we have defined as the system of small independent producers often organized in craft gilds. The craft gilds vested the control of industry in the hands of the manual workers themselves, who exercised it through the medium of their elected officials, but they were not adapted to solve the problems arising from the transformation of a local market into a national and international market. These problems, affecting the buying of raw materials and the disposal of the finished products, could only be handled by private enterprise. In the face of the rising demand at home and abroad, it was found impracticable to maintain a procedure under which the market was supplied by small producers working on their own. Hence it was inevitable for the latter to be superseded by the entrepreneur as the master builder of the new economic order, in which the control of industry was transferred to employers of labour who stood outside the ranks of the manual workers.

*The home
market.*

We may glance first at the home market, which is more important than foreign trade as a criterion of industrial growth. The myth that in former centuries England was a land of self-sufficing communities—where each locality, isolated from its neighbours, subsisted on its own produce—dies hard. Even in the Middle Ages there existed a national demand for the specialized wares of particular districts, and the cultivators of the soil found the means to purchase them by raising a surplus of corn for sale in the towns. The fairs were the channels through which native commodities were distributed throughout the realm. Here were bought the best grades of wool from Shropshire and Leominster and the Cotswolds, textiles of innumerable varieties—of which one, made in Stamford, was imitated in Italy in the thirteenth century under the name of ‘Milanese Stamfords’—tin from Cornwall, salt from the Worcestershire springs, lead from the Derbyshire mines, iron from the Sussex forges. Here also fongathered the alien traders who flocked to these shores from many parts of Europe—merchants from Venice and Genoa with costly spices from the East and silks and velvets

and 'things of complacency', the Flemings with linen cloth, the Spaniards with iron, the Norwegians with tar, the Gascons with wine, and the Teutons with furs and amber. And if the oft-repeated generalizations as to the local range of the mediaeval market are misleading, still less are they applicable at a subsequent period. In the Jacobean Age London drew its supplies of broadcloth from the West Country, worsted cloth from East Anglia, kersies from Yorkshire, coal from Newcastle, cheese from Cheshire, butter from Suffolk, wheat from the home counties: and the metropolis was unique only in the size, not in the nature, of its requirements.

Native produce was not limited to a national market: *The international market.* it furnished also the needs of an international market. It included wool, England's golden fleece and the most highly-prized of her raw materials, which formerly occupied the place in our economic system now held by coal; cloth of which it was said in later days that almost half of Europe wore England's 'livery'; and a miscellany of other articles—corn, tin, coal, pewter, metal wares, leather goods, meat, cheese, butter, honey, herrings and salmon. The growth of the international market constituted one of the epoch-making developments which give a distinctive character to the Age of Mercantilism. After America and a fresh sea route to India had been discovered, English products ceased to be confined to 'a very small part of the earth'—the Continent of Europe and Asia Minor: henceforth they found their way to the hemisphere in the West and to the Empire of the Mogul in the East. Two new worlds, as Adam Smith justly said, were rendered accessible to the industry of Europe¹. The consequences made themselves felt both in respect of the volume of production and the increased trend towards industrial specialization. Near the end of the seventeenth century Davenant calculated that the annual addition to the national wealth made by the colonial and Indian trades was no less than three times that accruing from the European trade. In opening up an unlimited field of enterprise, the extension of the market was at once a

¹ *The Wealth of Nations* (ed. Cannan), ii. 125.

challenge and a stimulus to the skill and ingenuity of the entrepreneur. The Indian trade gave a marked impulse to the art of navigation, since distant voyages necessitated the building of "goodly ships of such burthen as never were formerly used in merchandise". This benefited the ship-building and carrying trades, while in addition woollen goods were exported in exchange for silks. Moreover the industry of calico printing was established here by "some of Britain's unnatural children, whom we call Drapers", who "set all their arts to work to mimic the more ingenious Indians". The American colonies—another 'main branch' of England's wealth, described by the customs officials after the Restoration as 'his majesty's Indies'—demanded a wide sweep of commodities, and they fulfilled the anticipations that the New World would 'create a new commerce'. At their first foundation they needed cattle and food-stuffs, arms and ammunition: subsequently their growing population took from England textiles, iron wares, shoes, hats, horses, household furniture and provisions such as flour, beer, cheese and butter. On the eve of the War of Independence they accounted for as much as one-third of the oversea trade of the mother country. Apart from the beneficial reaction upon English industry and shipping, the erection of tariff walls in the Old World served to accentuate the importance of the colonial market in the New World. In America trade followed the flag: in India, as also in Africa, the flag followed trade.

*Changes in
the level of
prices.*

We may observe, at this point, that the discovery of America exerted a profound influence on England not only by extending the range of her markets but also in the sphere of monetary prices. The influx of precious metals from the New World served to promote the growth of a class of entrepreneurs, partly because it made the national wealth more liquid and partly because the rise in prices swelled profits and so encouraged investments in industrial and commercial enterprises. In the middle of Elizabeth's reign men spoke of "the great store and plenty of treasure, which is walking in these parts of the world, far more in these our days than ever our forefathers have seen in times past". Notwith-

standing Spain's efforts to keep within her own borders her treasure (drawn from the Peruvian mines), the Dutch War of Independence, the English privateering expeditions and an adverse balance of trade drained her of the precious metals, which in consequence were distributed over Europe. A large portion reached these shores. "How many millions we have taken from the Spaniard", exclaimed a writer (1598), "is a thing notorious". The circulation of American silver produced an abrupt rise in the general level of prices, which caused an economic revolution in the sixteenth century and foreshadowed a political revolution in the seventeenth century. It was remarked, as early as 1581, that "the prices of victuals and other wares in like sort is raised according to the increase of treasure". Owing to the fall in the value of money rents rose sharply, but rates of wages did not keep pace with prices. Variations due to local conditions and the absence of a uniform method of payment make it difficult to determine the earnings of agricultural labourers. It is calculated that their daily wage averaged 7d. about the middle of the sixteenth century and 9d. near the end, while in the reign of Charles I. it was advanced to 11d. The evidence is too sparse and conflicting to warrant any generalizations respecting artisans. The most numerous class of industrial workers were the weavers. Those in Wiltshire complained in the seventeenth century (1614) that they received "no more than what was accustomed to be paid forty years past, notwithstanding that the prices of all kind of victual are almost doubled from what they were". In Yorkshire their wages were scarcely higher after the Restoration than in the year of the Armada. In so far as the employers of labour, whether in agriculture or industry, intercepted the surplus value—arising from the fact that the prices of their products moved upwards while labour costs remained comparatively stationary—they enjoyed an increment of profits which was doubtless a stimulus to accumulate capital and increase production. However, we must not exaggerate the importance of the changes in the price level nor make them the prime agency in the great extension of industry and commerce in the Age of Mercan-

tilism¹. For one thing industry and commerce had made considerable strides before the inflow of the precious metals; for another thing other European countries experienced similar price movements yet did not undergo a similar transformation. The basic causes of England's economic progress must be sought not in the sphere of monetary phenomena but (among other factors²) in the creative powers of her entrepreneurs—as evinced in their exploitation of her natural resources, their improvements in technique, their speculative investments in new enterprises, and their opening up of markets in America, Asia and Africa. One other caution must be added. The view has gained currency that the price revolution lowered considerably the standard of life of the masses: but the standard of life of the English people in the sixteenth, seventeenth and eighteenth centuries cannot be measured by the wages paid to the individual because the income of a household depended upon the earnings of the family³. In manufacturing districts the wife and children of an agricultural labourer might earn in

¹ Mr J. M. Keynes (*A Treatise on Money*, II, 161) draws "the particular attention of historians" to "the extraordinary correspondence between the periods of profit inflation and of profit deflation respectively with those of national rise and decline". He correlates "the rise of the power of England" with the period when "the effect of the new supplies of money on her economic system was at its maximum from 1585 to 1630". And if we compare France with England, the contrast between the financial strength of Louis XIV. and the financial weakness of James II. is seen to be due to the fact that wages in France did not rise relatively to prices in the last two decades of the seventeenth century as they did in England". Actually England's prosperity was greater after the Restoration (i.e. subsequent to the era of 'profit inflation') than in the period 1585-1630, which incidentally witnessed severe depressions (*infra*, vol. III, 303 *seq.*). And the 'financial weakness' of James II. is explained by the fact that money remained in the pockets of his subjects, whereas Louis XIV., an absolute monarch, could extort "as much as I require". Mr Keynes also thinks (*op. cit.* 159) that "modern capitalism was born" in the century of 'profit inflation' 1550-1650—"the epochs of the profiteer and of an abnormal rate of capital accumulation" due to prices outstripping wages. The evidence for the existence of capitalism before 1550, as well as the diversity of factors which account for England's economic development in the Age of Mercantilism, are left out of the picture in this incursion into the field of historical inquiry.

It is also overlooked that the rise in prices before the accession of Queen Elizabeth was caused not by American silver but by the debasement of the currency.

² See *infra*, pp. xcvi. *seq.*

³ This important consideration has been neglected in the discussions on the standard of life of the working community.

spinning as much as he did in farm work. Accordingly in spite of a fall in real wages—which occurs when money wages lag behind the cost of living—the purchasing power of the family might not suffer any diminution if the expansion of industry provided employment for an increased number of its members, women and children. Moreover in some parts of England industry was combined with agriculture, and wages could be eked out from other resources.

A recital of the factors responsible for the rise of individualism must include the institution of a more flexible system of finance, which helped to create the requisite conditions for its proper functioning. We point out below that the existence of capitalism before the Reformation forbids us to regard the capitalist spirit as a product of Puritanism, though the latter admittedly encouraged thrift and the general absorption in business affairs. Subsequent to the Reformation the accumulation and employment of capital was facilitated by five significant developments. The first was the growth of wealth, derived from the gains of those who produced raw materials and those who traded in them. The second was the influx of foreign investments, which (as we have shown) were attracted to this country at a much earlier date than historians have hitherto recognized¹. The third was the universal use of credit, which enabled the fabric of commerce to rest upon an infinitely wider foundation. It is a common misconception about the older economy that the credit system was almost non-existent. It is evident that if every transaction had to take place on a cash basis, and if every entrepreneur had to rely upon his own resources to supply him with the capital he required, the economic mechanism would have operated only in a very contracted field. It is true that the Bank of England was not founded until after the Revolution of 1688, and it is true that provincial bankers barely numbered a dozen in the middle of the eighteenth century. None the less the economic apparatus need not necessarily conform to a given pattern in order to achieve a given set of results. The railway is not a *sine qua non* of a national market nor the steamship

*Develop-
ments in the
sphere of
finance.*

(i.) *Native
wealth.*

(ii.) *For-
eign
capital.*

(iii.) *Credit.*

¹ See *infra*, p. lxxvi. note 1.

of an international market : the cable and the telegraph are not essential for making a corner in commodities and for 'rigging' markets. Similarly, a credit system can exist whether or not banks of the modern type act as intermediaries between lenders and borrowers. The remarkable extent to which credit facilities prevailed in the Middle Ages is evinced both by the wool trade, of which every stage was financed by credit dealings, and by the abundance of mercantile debts relating to all kinds of business matters. The importance of credit grew enormously in the Age of Mercantilism. It was officially stated in the seventeenth century that a great part of English trade was conducted on a credit basis. Book-credit was, in fact, a normal practice, and it was often extended for long periods and large amounts—no less than £20,000 was owed by one merchant in the reign of James I. The instrument of credit transactions was the bill of exchange, whose usefulness is reflected in the measures taken to invest it with legal sanction and a negotiable character. The fourth development was the rise of banking in its modern form : of the Bank of England, in particular, it may be said that its history is an epitome of the financial history of England since the Revolution. The banks created yet another form of credit instrument through the issue of paper money, which for large payments became current in lieu of specie. The various kinds of paper credit—bills of debt and bank notes—enlarged the currency and broadened the basis of the credit structure : consequently they served in the nature of new resources and thereby quickened trade and industry. An important service rendered by the banks was the advance of loans, though even prior to the growth of banks moneyed men found no lack of suitable openings for profitable investment. Thus the entrepreneur was enabled to buy goods 'at time' (that is, on credit), and also to buy money 'at time' (that is, raise loans). In this way he was not precluded from extending the range of his operations, and embarking on fresh enterprises, by any inability to utilize capital other than that which he himself possessed. The use of borrowed capital on a considerable scale was made possible by the

(iv.) *Bank-
ing.*

abandonment of the mediaeval attitude towards the 'damnable sin' of usury. The legal toleration of interest marked a revolutionary change in public opinion, and it gave a clear indication of the divorce of ethics from economics under the pressure of an expanding economic system.

The fifth development in the sphere of finance merits particular attention because it registered another stage in the evolution of enterprise. This was the employment of the methods of a joint-stock. Industry was financed not only by independent entrepreneurs employing their own or borrowed capital but also by joint-stock companies and partnerships. From the sixteenth century onwards these institutions afforded an important means of obtaining capital since they enabled an undertaking to derive support from a circle of investors. Hence, as at the present day, the financial organization of industry assumed a simple or complex form accordingly as it was reared on individual or associated enterprise: in the former case capital and management were vested in the same hands, and in the latter they were separated. The circumstances which dictated the adoption of one or other of these forms were governed by the amount of capital required in a business, which in turn depended partly upon the nature of the concern and partly upon its size. Fixed capital was needed for buildings and plant, circulating capital for materials and wages. Under the factory system—interpreting the term to include work in any industrial establishment—the employer owns both the fixed and the circulating capital. Under the domestic system, where the work was done in the homes of the artisans, the ownership of capital was divided: the manual workers furnished the fixed capital in the shape of tools and workrooms, and the employer supplied the circulating capital to purchase materials and pay wages. The capital invested in domestic industries was therefore drawn from a wide area. Its principal source was the entrepreneur himself, but in addition it was provided by innumerable artisans in their instruments of production—spinning and weaving appliances, cutlery tools, and the like. In the textile industries the clothiers as a rule expended only

circulating capital apart from warehouses, yet the amount was often considerable, and they were 'generally men of substance and good stocks' (that is, capital). Indeed the fortunes raised in the woollen manufacture compel us to modify our impressions of the opportunities offered by a business career. One sixteenth-century clothier, Peter Blundell, left £40,000: a seventeenth-century clothier died worth near £100,000: in the eighteenth century Wiltshire clothiers possessed ten to forty thousand pounds a man. When these figures are related to current values, it will be seen that they represented immense amounts. Other types of businesses in which the entrepreneur was responsible both for the circulating and fixed capital might necessitate an outlay beyond the resources of individuals. The beginnings of joint-stock companies are connected with enterprises of this kind, for instance, the copper industry, coal-mining, the iron industry, glass-making, etc. The brass and copper works established on a joint-stock basis in the reign of Elizabeth incurred a loss of £150,000 before they 'were brought to perfection'. Coal-mining, a highly-speculative industry, involved capital expenditure in sinking pits when surface working in shallow collieries ceased to be adequate, in providing appliances, and in grappling with the grave handicaps of water and fire: on this account numerous associations of partners were formed to spread the risks and expenses of hazardous and costly undertakings. In the iron industry the Backbarrow Company owned several furnaces and forges at Furness, though substantial fortunes were acquired by individual ironmasters, especially Sir Ambrose Crowley and Thomas Foley. Joint-stock companies were similarly instituted in the glass-making industry which required large sums, particularly in the experimental stage. Thus the modern methods of financing industry, based on the mobility of capital, were being widely practised as early as the seventeenth century; and as a corollary two vital features of the present industrial system were already known in former ages. The first was the diffusion of the ownership of capital consequent upon the system of joint-stocks and the workers' property in their instruments of

production. The second was the separation of the ownership of capital and the functions of management—a divorce which occurs in joint-stock companies when the capitalist who invests money in a business ceases to be identical with the entrepreneur who is entrusted with the conduct of the business.

We alluded above to the infiltration of foreign capital : *Alien
entre-
preneurs* it must also be noticed that the capitalists themselves were not of purely native origin. Some were of alien extraction, like the woollen manufacturer John Kempe who brought with him from Flanders 'men, servants and apprentices', or like Daniel Höchstetter who was a partner in a firm which worked mines in the Tyrol, or like Henzey, Tyzack and Bungar who belonged to glass-making families in Lorraine and Normandy, or like other entrepreneurs who introduced many 'useful trades' and helped to build up the industrial supremacy of England. The successive waves of foreign settlers, both 'captains of industry' and craftsmen, are notable landmarks in English history. Many of them were exiled from their own land through religious persecution which, like racial persecution in the twentieth century, enriched the state where they found an asylum ; and they were welcomed by the Government as religious refugees and as invaluable assets. Their immigration takes rank as one of the major influences in England's economic development. Every branch of economy was stimulated by the inestimable services which they rendered. The infusion of new blood enriched and strengthened the national life, while their technical skill and expert knowledge of the industrial arts enabled this country to wrest from its rivals the secrets of important industries and become a workshop of the world. Moreover, the fact that the strangers within the gates were not born in the English way of life meant that they could not be fitted easily into the framework of a communal society. In the eyes of their native competitors, "obedient subjects to the laws and customs of this land", they seemed "a most obstinate and perverse kind of people ; the customs and privileges of incorporated cities they respect not". Hence their presence was a disruptive element which served

to reinforce the prevailing trend towards individualism.

*Mobility
of labour.*

The counterpart of mobility of capital is mobility of labour, without which the rapid growth of the industrial system would have been impossible. We need to revise our notions of the immobility of the older English society : the practice of migration was a common phenomenon in earlier times. The stability of agrarian life was often apparent rather than real, and its conservatism was impotent to prevent massive changes. During the later Middle Ages the prevalent conditions favoured the fluidity of labour in a marked degree. In the fourteenth century, after the Black Death, the discontent of the peasantry with the burdens of villeinage spurred on their ambition for better things, and the flight of serfs from the manor dispersed a considerable portion of the rural stock. The scale on which this movement occurred must have left a permanent impression on the outlook of the village community. In the next century industry began to prove more attractive than husbandry. It offered a wider scope to men of initiative and enterprise who craved for new opportunities of advancement and profitable sources of livelihood : it afforded fresh openings to restless spirits impelled to wander from their homes and fields to seek their fortunes in the towns, within whose walls a fugitive villein could secure his emancipation by residence for a year and a day. The cry went up that tillage was decaying from the scarcity of agricultural workers, and the efforts of the Government to check the rural exodus and maintain labour on the land led Oxford to complain that scholars had withdrawn from the University, " saying that they may not have artificers to serve them ". Although in some districts peasant families have clung to one locality for hundreds of years, we have learnt from manorial rolls and Tudor subsidy rolls that elsewhere the inhabitants shifted from generation to generation. In the seventeenth century—despite the restraints on the flow of farm labour imposed by the settlement laws and by the compulsion to service in husbandry—the mobile state of the countryside is reflected in the statement of a contemporary that " few in common fields do keep their lands three generations ".

Another factor was the expansion of the woollen manufacture, which caused a reverse trend from the corporate boroughs to the 'townlets'. Artisans flocked into the country influenced by the easy access to water mills, the cheapness of provisions, and the desire to escape the financial oppression and industrial supervision of the craft gilds. Thus as the prosperity of the older seats of the textile industries waned for one reason or another, their place was taken by younger rivals, for instance, York was supplanted by Leeds. Mobility of labour also became a marked feature of the iron and coal industries. It was the necessary outcome of the dependence of the former upon charcoal and water-power, and of the latter upon the location of the coal measures. They drew their workmen from every part of the kingdom, and agents were sent out to seek them. An industry itself, for instance iron or glass, might move to other centres as the supplies of timber became exhausted. Eventually the adoption of coal as an alternative fuel led to an important development which is commonly associated exclusively with the 'Industrial Revolution', namely, the attraction of industry to coal-producing regions. In the middle of the seventeenth century it was claimed that the coal trade of Newcastle "hath made this part to flourish in all trades". There is further evidence to show that labour was often highly mobile. Although we hear very little in England of the 'wanderings' of apprentices who had completed their term of training, we know that mediaeval journeymen did not always set up in the town in which their apprenticeship had been served. In the eighteenth century wool-combers travelled about from one place to another. Itinerancy was a conspicuous feature in their condition: no other class of workmen appears to have attained more nearly the economist's ideal of mobile labour, for they were accustomed to traverse the country in search of employment. The migratory movement was not confined to the lower ranges of the industrial hierarchy, for manufacturers and merchants alike recruited their apprentices from a wide area. Nor was it confined to the natives of England. Irishmen helped to build and work the furnaces

and forges at Furness, and hundreds of them crossed over to England to render assistance at harvest-time ; while Scotsmen came southwards to man the keels at Newcastle.

*Origin of
a wage-
earning
class.*

The position of labour in the new economic order, which by easy stages dissolved the fabric of mediaeval society, attests the early growth of capitalism and affords perhaps the most convincing testimony to the emergence of the entrepreneur. The structure of industry was being reconstituted on lines which were incompatible with the survival of the craftsman in an independent capacity. We can best account for the rise of a wage-earning class if we bear in mind that the advent of capitalism, in the sense in which the term is here defined, implies a phase in industrial evolution in which the ownership of the raw material is transferred from the manual producer to an employer, who hires labour to work it up and sells the finished product. In consequence the manual producer is transformed from an independent craftsman owning the material on which he worked into a wage-labourer engaged on material supplied by the capitalist, even though he may continue to own the instruments of production. Hence the fundamental feature of capitalism is the wage-system under which the worker has no right of ownership in the wares which he manufactures : he sells not the fruits of his labour but the labour itself—a distinction of vital economic significance. The genesis of the wage-system is not connected, as is often supposed, with the introduction of machinery : its true test is whether the worker has any property in the goods which he makes. If the goods do not belong to him because the material is provided by another person, then he is a wage-earner whether the instruments of production belong to him or not. So long as the artisan purchased his material (as in the ' gild ' stage), he was independent : he could dispose freely of the finished product : he worked for a price, not for a wage : he earned a twofold profit—the profit of his labour and the profit of the material. But when the artisan worked on material furnished by an employer (as in the ' domestic ' stage), he had to hand back the finished product,

and what he received in exchange was nothing more than the earnings of the labour expended on the material. He was now divorced from the market and confined to the purely manual functions: he thus sank into the condition of a wage-earner dependent on a capitalist for the provision of material. The work might still be performed in the home, but a wage-earner was none the less a wage-earner because he toiled under his own roof: indeed his subordination might be all the greater since the lack of co-operation with other workmen served to impair his bargaining power. Accordingly the contrast between the domestic worker who carries on the work at home, and the factory worker labouring in an employer's establishment, has a social rather than an economic significance. It therefore follows that the domestic system of production must be identified with capitalism; and Engels's categorical assertion, that "the proletariat was called into existence by the introduction of machinery"¹, betrayed ignorance of the fact that a wage-earning class, possessing no resources but its technical skill and a few tools, existed in England for several centuries prior to the Factory Age. Neither the use of machinery—involving as it does capitalist ownership of the instruments of production and the assemblage of workers in factories—nor the division of labour, comprises the essence of the capitalist system. This lies in the capitalist ownership of the material and the consequent power of disposal over the manufactured article.

The process of evolution was already far advanced towards the close of the Middle Ages when the tide of industrial capitalism began to submerge the defences erected by the craft guilds, and the skilled artisan was reduced to dependence upon an employer. The oldest and most widespread of English manufactures was conducted on a capitalist basis, and by the sixteenth century the majority of textile workers were wage-earners. The entrepreneur or clothier supplied the carders, combers and spinners with their wool, the weavers with their yarn, the fullers and dyers with their cloth. At every stage of production he owned the material,

*Its early
appear-
ance.*

¹ Engels, *Die Lage der arbeitenden Klasse in England* (1845), 28.

directed the manufacture, and disposed of the finished product. The use of terms like merchant or middleman to describe his position is misleading, since it tends to obscure the importance of his function as the master of the various groups of artisans engaged in the undertaking. He was primarily an employer of labour and an organizer of industry, who was responsible for the whole series of technical operations now brought under a single control. In other mediaeval occupations there also developed, as a distinct entity, a class of 'uncovenanted' labour, consisting of hired workers excluded from the privileged circles of the gild-brethren. As we have pointed out elsewhere¹, the traditional picture of the later Middle Ages does not correspond with the economic realities. The woollen and worsted manufactures, the building and other trades similarly constituted, covered too large a sphere to be treated as exceptions to the general rule; and they show that the mediaeval industrial system is linked with the modern by the continuity of the forces common to both. All the industries which became prominent after the end of the Middle Ages were based on the relationship of employers and employed; but though they greatly enlarged the body of permanent wage-earners, they did not create it.

*Capital-
ism in
English
industry.*

Even the most rapid survey of the industrial scene in the Age of Mercantilism discloses numerous other manufactures, besides the woollen, which were managed on capitalist lines. The career of Humphrey Chetham, one of the architects of Manchester's greatness, indicates that early in the seventeenth century prominent makers carried on substantial operations in the cotton industry. In the silk industry 'workmasters' or silkmen were the employers of the silk weavers, and here the modern factory system had its beginnings early in the eighteenth century. Capital for the development of a native linen industry was provided by joint-stock companies. In the hosiery industry frame-work knitters often worked on an employer's material and sometimes on an employer's frame. Nor was the capitalist system limited to the textile industries. Coal-mining was essentially a capitalist undertaking in which not only the hewers but the transport

¹ *Supra*, vol. i. 510.

workers were wage-earners. Inasmuch as it was impossible to forecast the expenditure involved, it was peculiarly a field for capitalist speculation, and it presents the most striking examples of the sinking of capital in industrial ventures. In tin-mining the appearance of the capitalist producer was revealed as far back as the fourteenth century, when 'Abraham the Tinner' had in his employment over three hundred workers; and as in other industries there were early complaints of the exploitation of labour. In lead-mining in the same century all the elements of a capitalist concern may be discerned in the absentee owner, foremen and hired workmen. In the iron industry every stage of the extractive and manufacturing processes was, with a few exceptions, organized on a capitalist footing. The foundry and the forge were capitalist enterprises, in which the raw material and fuel were owned and the product marketed by an entrepreneur, while capital was also invested in extracting the mineral as well as in the conversion of the metal into finished products. The copper and brass industries furnish the earliest instances of the formation of joint-stock companies to run a business which demanded buildings and expensive plant. The glass industry involved the disbursement of large sums for furnaces. The manufacture of salt, soap, paper, alum and a variety of other commodities was capitalist in type. The building industry, during the Middle Ages, conformed to the character of a capitalist business: building operations often required a great number of masons who were mostly wage-earners and worked under the direction of experts. Similarly, ship-building called for the employment of carpenters and other artificers on a considerable scale. All these concurrent indications of the prevalence of capitalism in English industry prior to the introduction of machinery justify the conclusion that a capitalist society was no new phenomenon when the great inventions inaugurated its second phase, that of power-driven machinery. Side by side with the small independent producer, working under his own roof on his own materials and with his own tools, there already ranged the large producer of the modern pattern. Long before the advent

of the factory system the capitalist employer had become the pivotal figure in industry, whose organization he controlled and dominated.

*Conflict of
capital and
labour.*

The effects of the changed status of the workers, now transformed into a wage-earning class, were momentous. The strained relations, which at once developed between employers and employed, provoked an acute conflict of capital and labour protracted over many centuries. The fundamental divergence of interests was manifested in chronic disputes over wages. The employer treats wages primarily as the price paid for a commodity, while to the workman they are the means of subsistence; and this clash of concepts produces the bitter fruit of industrial strife. The argument which passed for current coin in the nineteenth century was familiar in former times: "Cheapness of labour, and consequently the cheapness of goods, is the only means to increase their consumption either at home or abroad", and so stimulate the demand for labour. Yet the economy of high wages had not escaped notice in some parts of England, where prior to the days of Thomas Brassey¹ it was discovered that the cost of labour was not to be measured by the remuneration of labour. Moreover it is significant to observe that, as in later ages, the cause of industrial unrest was not low wages alone but also unemployment, for insecurity with its unsettling reaction on the standard of life is more demoralizing than poverty. Even in normal times, apart from commercial crises, irregularity of work was a recognized trait of the industrial order at least from the sixteenth century. It was due partly to the ebb and flow of trade and partly to technical difficulties—the intermittent supply of yarn in the woollen industry, the deficiency of water-power in the iron industry, the seasonal demand for fuel in the coal industry. In short there existed a working class often poorly remunerated, exposed to the hazards of unemployment, already largely divorced from the soil, and frequently working away from their homes. It is therefore not surprising to find that Dean Tucker, who wrote in the reign of George II., considered that the relations of master

¹ *Work and Wages* was published in 1872.

and man " approach much nearer to that of a planter and slave in our American colonies than might be expected in such a country as England ". His observation serves as a further reminder that the realities of industrial life anterior to the ' Industrial Revolution ' did not correspond to the idyllic picture which is apt to be drawn. Disraeli's description in *Sybil* of two nations warring with each other within the confines of a single State was true not only of the Factory Age but of an older England.

The tangible sign of the cleavage between capital and labour, and of the friction engendered by it, was the growth of trade unionism which preceded the introduction of machinery. Indeed, trade unionism was so far from being the outcome of machinery that the invention and adoption of machines were, partly at any rate, inspired by the hope of liberating employers from their dependence upon labour. As early as the fourteenth century there were formed associations of wage-earners, but it was the collapse of the benevolent autocracy which did much to stimulate the self-assertion of the working class and to awaken the latent instinct of self-preservation. The workers were driven by the abandonment of the industrial code, instituted by the State with some measure of regard for their interests and protection, to depend upon their own efforts. Manifestations of trade-union activity are to be found in the manufactures of wool, cotton; silk, linen, iron and leather, among others; and they register the degree to which capitalism had permeated English industries. During the eighteenth century repeated laws were enacted against associations of working-men in various occupations, and the Combinations Laws of 1799 and 1800 were only the climax of a series of measures dating back to the opening decades of the century. They were, however, powerless to repress a widespread trade-union movement, which persisted throughout the eighteenth century and bequeathed its traditions to later generations. It is instructive to notice the reasons why the older combinations among wage-earners—the forerunners of the unions of our own day—proved largely ephemeral. One was that the energetic members were more easily absorbed into the ranks of the

employing class. Another was that trade unionism did not attain its present stability until the 'Industrial Revolution' achieved the final victory of capitalism by taking from the workers the ownership of the instruments of production; while at the same time it evoked a more continuous resistance to capitalism by concentrating the workers in large factories, where a sense of security was instilled in them by the confidence born of numbers.

*The
industrial
structure.*

An analysis of the industrial structure provides ample indications of capitalist phenomena, and reveals the extent to which the entrepreneur had assumed direction of the economic mechanism. At every stage of production and marketing we have evidence that men endowed with organizing abilities were finding a wider field for the exercise of their talents than lay within the four walls of their town.

Marketing.

Observe, first, that there had already developed an elaborate machinery for the distribution of raw materials. Yorkshire consumed the short staple wool grown in Norfolk, while Norwich worked up the long staple raised in Lincolnshire and Leicestershire. The need for an intermediary who would link up the manufacturing districts with distant sources of supply was met by the wool-staplers: it was their function to treat the kingdom as a single economic unit upon which any locality could draw for the satisfaction of its own special requirements. In a similar way the numerous industries which consumed large quantities of coal—brewing, brick-making, dyeing, glass-making, lime-burning, soap-boiling, sugar-refining, casting of brass and copper, and making iron wares—were able to obtain their fuel even when they were situated remote from the coal mines. Moreover the importation of cotton, silk, flax, Spanish wool and Swedish iron shows that manufacturers of cotton in Lancashire, Cheshire, Derbyshire and Dorsetshire, manufacturers of silk in London, Derby, Coventry, Norwich and Macclesfield, manufacturers of linen in a dozen English counties, manufacturers of 'Spanish cloth' in the West Country, and Sheffield cutlers famed in the days of Chaucer for their knives, were not precluded from utilizing

materials produced in Europe and Asia on the one hand and in the New World on the other. And just as there was a national and an international market for the supply of raw materials, so there was a national and an international market for the disposal of the finished products. Blackwell Hall in London was the national cloth market where were brought woollen goods from all the clothing areas of the country, to be redistributed again through the agency of factors to drapers throughout the kingdom or to be exported abroad.

Observe, next, the scale of production, which measures *Scale of production.* the degree to which an industry is managed by a class of entrepreneurs. It is usual to associate the capitalist system with great undertakings—and with good reason. Small-scale production does not afford scope for the faculty of organization which is displayed in co-ordinating the various technical processes, in combining division of labour with supervision from a common centre, and in seeking out new markets both to provide raw materials and to absorb the manufactured articles. It is important, therefore, to ascertain what traces exist of large-scale production in the seventeenth and eighteenth centuries. Our evidence demonstrates that it is no new phenomenon. In the woollen and worsted industries makers of cloth were engaged in a substantial way of business—it was not unknown for clothiers to employ a thousand workfolk, although not everyone on the clothier's books worked for him alone: in the silk industry master throwers kept 500 to 700 operatives, and subsequently even 1500: makers of sail cloth hired 5000 or 6000 persons: a salt-maker had 1000 workers: a manufacturer of small metal wares ('toys') 600: a lace-maker and a calico printer 200 or 300: a hat-maker and a glass-maker 100 apiece. These examples could be multiplied, but they are sufficient to refute the assertion that "the class of capitalist employers was as yet but in its infancy"¹. Large undertakings constituted, in fact, a recognized feature of the extractive and manufacturing industries² in earlier centuries, and they are

¹ Toynbee, *The Industrial Revolution* (ed. 1906), 52.

² And in the transport industry, e.g. among the lightermen.

an unmistakable proof of the functioning of the entrepreneur.

*Integra-
tion.*

The size of the business unit might yield opportunities for the emergence of integrated concerns—this discloses an aspect of capitalist development which is often looked upon as new. Thus in the iron industry it was normal for the owner of the foundry and forge to control part, at any rate, of the sources of his raw materials (iron ore, wood and coal), and he even extended his activities to the metal trades and worked up the iron into finished goods. The establishment of Ambrose Crowley presents a notable instance of an integrated business, for it carried on all operations from the production of bar iron to the making of iron wares. In the copper industry there existed companies which owned copper mines, smelting works, rolling mills, manufacturing shops, together with ships for the transportation of materials. In the woollen industry the West-Country clothier concentrated in his hands every process of cloth-making from the time the wool was carded and spun until it was woven, fullled and 'finished': a clothier might possess the flock from which he obtained his supply of raw material, and he might be a merchant exporter. In the coal industry the coal-fitters, who became the link between the sellers of coal and the shipowners, sometimes owned the ships; the Hostmen, who were the sole coal merchants at Newcastle, sometimes owned the mines; and the London dealers sometimes had a financial interest in the ships which conveyed the coal from Newcastle to the metropolis.

Cartels.

In certain respects the most striking manifestation of an entrepreneur regime is the creation of cartels, for the attempt to set up a controlled market presupposes an advanced phase in industrial evolution. A German economist¹ distinguishes between two stages of capitalism, the individualist or personal and the federated or impersonal. He regards the first as typical of England; and the second, the disciplined form of capitalism, as the product of German organizing ability. The 'private employer of the old style'—that is, the individualist capitalist who ploughs a lonely furrow and

¹ Naumann, *Central Europe*, 113-117.

shrinks from co-operation with other manufacturers—characterizes the first stage. The 'disciplined industrial community', in which the employer becomes a 'federated employer' and merges his individuality into an 'economic co-operative existence', characterizes the second stage. Yet though modern Germany has furnished the classic examples of cartels, she was not the original home of the system, which can be traced back far beyond nineteenth-century capitalism. A cartel in the English coal industry came into being at the close of the Middle Ages and survived into the last century. It was a highly-organized type of trade association, which exhibited all the principal devices of a controlled market and a rigid monopoly: it restricted membership, fixed prices, limited output, assigned each member a percentage of the output, and exacted contributions to a 'pool' to penalize those who exceeded their allotted quota and to subsidize those who fell short of it. At the distributing end of the coal trade the London market was exploited by combinations in every grade of middlemen through whose hands the commodity passed. Nor did the difficulties of communication, on which historians are apt to lay undue stress, daunt the London coal merchants: they instituted a system of intelligence by which they knew whether supplies at Newcastle were plentiful or scarce, and whether a coal fleet was at sea or held back by contrary winds, and they used their knowledge to 'rig' the market and manipulate prices. The iron and copper industries also reveal the prevalence of 'rings', which determined prices and regulated supplies. Ironmasters in the seventeenth and eighteenth centuries entered into price agreements which eliminated competition in the purchase of raw materials or in the sale of their products: these compacts sometimes included a 'pool'. Similarly, the companies engaged in the copper industry avoided competition in the buying of copper ore, as well as in the price and quantity of goods which they placed on the market. Merchant importers themselves were not always in a position to shift the import duties on to the buyers, since the latter collaborated to beat down their prices. Those who traded in provisions furnish parallel

instances of tacit or overt understandings : thus the mealmen who dealt in meal and flour seized the opportunity afforded by their key position in the corn trade to "fix the price of corn on the farmers and the measure too". The practice of concluding price agreements prevailed in the Middle Ages when the judges were instructed to hold an inquiry into the combinations of merchants, which "set from year to year a certain price on wool for sale in the country, so that none of them will buy or bid more than others in the purchase of wool, beyond the fixed price which they themselves have ordained" ; and we hear of mediaeval provision dealers who agreed among themselves to raise the price of victuals. Even the device of the 'boycott' is found among a 'ring' of London butter merchants, which at the end of the seventeenth century practically monopolized the butter trade with Suffolk by the threat to boycott local warehouse-keepers and carriers who acted for those outside the 'ring'. Another method of suppressing competition, practised by alien importers in the early seventeenth century, was doubtless not unknown among native manufacturers : this consisted of 'dumping' wares on the market at low prices and of 'cornering' supplies of the raw material. These noteworthy examples of what is generally considered a modern development—the tendency to make combinations and 'rings' among producers and distributors—serve to show that the fertile genius of the entrepreneur had already impressed its stamp upon a society which was fast assuming many of the traits usually identified with the most highly-developed form of capitalist organization.

A 'model village'.

A seventeenth-century illustration of capitalist enterprise in the sphere of industry is the remarkable establishment erected in the North of England by the greatest ironmaster of the age, Sir Ambrose Crowley. It was conducted on a large scale, for several hundred men were employed, but its signal feature was the autocracy which ruled it. Crowley created a 'model village', which anticipated Robert Owen's experiment at New Lanark, laid down a code for the welfare of the workmen, made provision for the poor and sick through a contributory insurance scheme, instituted a school

for the children, and set up a body of arbitrators on which the workmen were represented. Hence he foreshadowed the leading principles of social reform in the nineteenth century as well as the idea of devolution of control in industry. We have no reason to suppose that the Crowley regime, however exceptional it might have been, was in every respect unique: the survival of records is so purely a matter of chance that we must be careful not to draw misleading inferences from the paucity of evidence. We certainly get glimpses of other industrial establishments which drew labour from remote parts of the country, built houses, made loans to the workmen, and provided schools for their children. "Business", stated the *Report of the Balfour Committee on Industry and Trade*, "is not exempt from laws which regulate other forms of human association, and requires for its success good intelligent leadership" ¹. There are grounds for thinking that this doctrine did not go entirely unheeded in the seventeenth and eighteenth centuries. Doubtless employers of the advanced type here visualized were not numerous, yet neither are they especially numerous at the present day.

The influence of the entrepreneur is evinced, not only in the intricate pattern of the production and marketing organizations of which he was the pivot, but in the variety and range of his industrial pursuits. "The sort of men we call Undertakers" ², wrote Roger North near the end of the seventeenth century, "are very instrumental in the public by advancing manufactures". The introduction of a new branch of industry is generally a speculative undertaking which attracts those who are prepared to risk their capital in the hope of substantial returns. We may take as an example in Tudor times a group of capitalist pioneers at Norwich, the principal seat of the worsted industry, who 'at

*Services of
the entre-
preneurs.*

¹ *Survey of Industrial Relations* (1926), 193.

² In the seventeenth century the word 'undertaker' was used in the present sense of 'entrepreneur'. Thus William Penn tried to enlist the interest of the 'great undertakers' in developing colonial products: *infra*, vol. iii. 184, 467. (See also Index, s.v. Undertakers.) We still speak of an 'undertaking'.

their great costs and charges ' made looms and brought strangers from beyond the seas to teach ' the first practising of the making ' of russel cloth to native weavers. It was, therefore, owing to the exertions and sacrifices of the entrepreneurs that England was enabled to develop fresh industrial arts and attain a position of supremacy in world trade. Indeed the initiative in economic matters had perforce to come from the entrepreneurs since all proposals for an experiment in State Socialism were still-born : for example, the suggestions that the State should undertake improvements in transport by making rivers navigable, that it should take over the coal trade, that it should provide cheap bread for the poor.

*Industrial
progress
in the
Middle
Ages.*

In enumerating the industrial arts which were discovered or adopted after the Middle Ages, one thing needs saying at the outset—namely, that they are not to be conceived as the manifestation of a newly-born spirit of capitalism created by the forces which the Reformation set in motion. While it is our present purpose to show the economic importance of the Age of Mercantilism, we must not leave in the shade the progress achieved prior to and independent of the changes which followed the Reformation. If we dethrone the year 1760 from its pedestal, we must resist the temptation to put the year 1558 in its place. It will register a definite advance when the fact is recognized, in the fullness of its implications, that England had already made great industrial as well as commercial strides before the advent of power-driven machinery. Nevertheless the concept of the continuity of economic development forbids us to elevate even the sixteenth or seventeenth century to the dignity of a watershed. The *obiter dicta* that England remained throughout the Middle Ages economically in a backwater, and that industrial capitalism commences after the Reformation, reflect a common view : yet they are contradicted both by the growth of commerce and by authentic evidence of industrial proficiency, which warns us against the erroneous assumption that English craftsmanship in the Middle Ages was barren of technical achievements. The notable number of craft gilds bears eloquent testimony to

the diversified character of the manual arts in Early England ; also the remarkable expansion of the woollen manufacture and its evolution on a capitalist basis were in the nature of an industrial revolution. An emperor of the Byzantine empire, who visited these shores in the year 1400, commented upon the flourishing state of the country. " In populousness and power, in riches and luxury, London, the metropolis of the isle, may claim a pre-eminence over all the cities of the West ". At the end of the fifteenth century a Venetian wrote in a similar strain. " In one single street named the Strand leading to St Paul's there are fifty-two goldsmiths' shops so rich and full of silver vessels great and small, that in all the shops in Milan, Rome, Venice and Florence put together, I do not think there would be found so many of the magnificence that are to be seen in London ". In fact, the study of mediaeval records has in store for the unbiassed investigator as many surprises as the study of the Age of Mercantilism has for those who come to it with minds freed from current clichés about the ' Industrial Revolution '. With this caution in mind, we may review the more important developments which occurred in the period under survey.

The making of cloth—described by Coke as ' the worthiest and richest commodity of this kingdom ', and by Camden as ' one of the pillars of the State '—enjoyed pre-eminence over all other manufactures for the space of seven hundred years. In the second half of the sixteenth century a 'resh branch of the woollen industry, known as the ' new drapery ', was established. It consisted of the finer worsted fabrics, which (confesses Fuller) " it surpasseth my skill to name ". An old English rhyme ran :

" Hops, Reformation, *Bays*, and Beer
Came into England all in a year '.

The same era witnessed the beginnings of machine-wrought hosiery, which resulted from the invention of the knitting frame by William Lee ; and the history of the cotton industry can now be carried back to the year 1586¹. Silk,

¹ *Infra*, Appendix, p. 482, No. 1.

a mediaeval industry, grew into "one of the most considerable branches of the manufactures of this kingdom", as a consequence of the improvements effected in the seventeenth century; and in the next century the linen industry was widely distributed. Outside this group of textiles a vital place in the national economy came to be occupied by coal and iron. Originally wood was not only the fuel for household consumption and manufactures of every kind but also the material for buildings, ships, carts, looms and tools. The growth of population and the expansion of industry (especially iron works) put an excessive strain upon native timber resources. Hence arose the need for extracting the subterranean mineral fuel in order to provide 'new fire' for the domestic hearth and for industrial requirements. The importance of the coal industry in the nineteenth and twentieth centuries is universally recognized. Its prominence in earlier ages has been obscured by focussing attention upon the use of coal for smelting iron ore and neglecting its relation to other fields of economic activities. In Mercantilist England coal had grown into general usage as the indispensable fuel of the householder, and it was extensively consumed in a great variety of industries. Confined in mediaeval times mainly to workers in metal (smiths) and lime-burners, it was subsequently adopted by others—bakers, brewers, brick-makers, calico-printers, casters of brass and copper, coopers, distillers, dyers, founders, glass-makers, pottery manufacturers, salt-makers, soap-boilers and sugar-refiners. It was employed in making iron wares though it was not suitable, on account of the sulphur in it, for smelting iron ore. A French traveller in 1738 termed coal 'one of the greatest sources of English wealth and plenty' and 'the soul of English manufactures'; and he expressly mentioned that lime which was burned with coal was widely applied as a fertilizer of the soil, and not merely for mortar in building, thus making coal an accessory of agriculture. In this way coal-mining was closely linked with the progress of numerous industries and with improved methods in farming. Its historical significance is reflected further in the contribution which it made to the evolution

of a capitalist society, and in the influence exerted on public policy in the interests of the consumer. In addition the transport of coal along the coast or to the Continent was an immense stimulus to shipping, since it accounted for a large proportion of the mercantile marine and nourished a 'nursery for seamen'; its conveyance from the pits to the river-side led to the invention of 'railways' in the sixteenth century; and the drainage of the mines gave birth to the steam engine in the seventeenth century. The economic importance of coal in the Age of Mercantilism was matched by the great advance in the metal industries. Even in the Middle Ages metal workers had achieved renown for the high quality of their wares which found a market abroad. The tribute which William of Poitiers, the chaplain of William the Conqueror, paid to the proficiency of English artificers in the eleventh century shows that a long tradition lay behind the skill which continued to extort the admiration of foreigners in later centuries. The augmented use of metals for industrial and domestic purposes was revealed in a notable extension of the iron industry. "No particular manufacture can be named", asserted Defoe, "which has increased like this of the hardware"; and Burke described Birmingham as 'the toy-shop of Europe'. A native industry of copper and brass was established in the sixteenth century as a result of the discovery of calamine. Other industries which were started or developed in the sixteenth and seventeenth centuries included alum, breweries, brick-making, glass, paper, salt, saltpetre, soap, and sugar-refineries. Ship-building was stimulated by commercial intercourse with the Continent, the American plantations and India, as well as by the coasting trade in coal and other commodities; and the growth of a mercantile marine laid the basis for an empire which rested on sea power.

All these industrial changes came to maturity in the Age of Mercantilism; and their effects worked themselves out in many directions. They enlarged the sphere within which the entrepreneur could find scope for his talents and the capitalist opportunities for investment. They fostered the insistent plea for economic freedom. They caused the

*England a
workshop
of the
world.*

abandonment of the traditional belief that the kingdom was over-populated—after the Civil War it was held that the increase of population failed to keep pace with the expansion of trade and industry. The fact that enclosures were no longer attacked on the ground of unemployment indicates that manufactures were absorbing many more hands. The diversion of the national energies into industrial channels was made possible by technical improvements in agriculture : the export of grain after the Restoration and the substitution of wheat for rye imply that corn production was adequate to meet the demands of a growing population and a rising standard of life. Thus England in the Age of Mercantilism was a busy hive of industry, in which specialization was pursued in a marked degree to serve a wide range of markets with varying tastes and fashions. Her mature status is evinced in the testimony of a correspondent who wrote in 1672 : “ The English through all the world are counted the most ingenious in all manner of manufactures as cloth, serge, woollen stockings, silk stockings, both woven and knitted, . . . all sort of leather, scarlet cloth, gloves, watches, knives, etc.” Long before the ‘ Industrial Revolution ’ the reputation of her wares had made England a workshop of the world.

The Royal Society.

The manifold developments, which we have related, bear witness to the fertile activities of the entrepreneur. They were born of the restless spirit of the age—but inasmuch as the motive spring of human progress is intellectual curiosity, they had their counterpart in the domain of scientific inquiry, namely, in the foundation of the Royal Society. This body in its beginnings had close associations with the economic movements of the day. It was formed by a group of thinkers “ who had begun a free way of reasoning ” and about the year 1645 commenced to hold meetings to investigate the ‘ new and experimental philosophy ’¹. Its first historian, Thomas Sprat the eloquent bishop of Rochester, described in 1667 how “ the late times of Civil War and confusion, to make recompense for their infinite calamities, brought this

¹ Sprat, *The History of the Royal Society* (1667), 53; Birch, *The History of the Royal Society* (1756), i. 1.

advantage with them that they stirred up men's minds from long ease and a lazy rest, and made them active, industrious and inquisitive. . . . Now men are generally weary of the relics of Antiquity and satiated with religious disputes. . . . Now there is a universal desire and appetite after knowledge " ¹. The practical trend of the members' interests bore fruit in scientific discoveries, which led Voltaire to pronounce that " in this respect they entitle the age to be called the age of the English as well as that of Louis XIV." ² In its early stages the Royal Society did not keep aloof from the economic ferment of the seventeenth century, for it had the co-operation of many merchants who " assisted it with their presence and thereby have added the industrious, punctual and active genius of men of traffic to the quiet, sedentary and reserved temper of men of learning " ³. And the ' men of learning ' did not disdain to " consider the purpose of the Royal Society in respect of all the manual trades ". Sprat raised the significant question " whether the mechanic arts are still improvable by human industry "; and he answered in the affirmative " that it is not a vain or impossible design to endeavour the increase of mechanic contrivances " ⁴. He maintained that recent mechanic inventions " cannot but convince us that many more are still to come ". At the same time he recognized the difficulties which were to delay for a century the advent of the ' Industrial Revolution '. He explained that invention " requires an active, a bold, a nimble, a restless mind ; a thousand difficulties must be contemned. . . . Many attempts must be made to no purpose ; much treasure must sometimes be scattered without any return ". He commented upon the popular aversion to new inventions and the hostility to aliens, adding ironically—" for the sake of the poor whom we thereby do certainly make the poorer ". He defended the adoption of ' shorter ways of labour ' on the ground : " That country is still the richest and most powerful which entertains most manufactures. The hands

¹ Sprat, *op. cit.* 152.

² Voltaire, *Le Siècle de Louis XIV* (ed. 1753), ii. 134.

³ Sprat, *op. cit.* 129.

⁴ *Ibid.* 378-379.

of men employed are true riches. The saving of those hands by inventions of art and applying them to other works will increase those riches" ¹. In this conviction the Royal Society set itself the task of gathering descriptions of mines and ores, iron-making, salt-making, cloth-making, paper-making and many other industrial arts ². Thus Sir William Petty was responsible for a detailed and valuable account of the processes of the woollen manufacture ³. The institution of a lecture on mechanics was acclaimed as "the first lecture that has been founded of this kind", the want of which "has chiefly caused the slow progress of manual arts" ⁴. A questionnaire was issued to agriculturalists in order to obtain information on the technique of husbandry; and Houghton claimed that "the whole land hath been fermented and stirred up by the profitable hints it hath received from the Royal Society". In these scientific inquiries into the actual workings of the economic mechanism was mirrored an England which had grown conscious of a boundless horizon and an illimitable field of new discoveries.

*Idealized
picture
of the
domestic
system.*

We have endeavoured to indicate the salient features of the structure of industry which existed before the introduction of machinery, and to draw attention to some of the prevalent misconceptions about its nature. Perhaps the most common of all is the idealized picture often presented of the domestic system. It has been depicted almost in the light of a golden age where the artisan was his own master working as he pleased at his loom or bench, and where no rift between capital and labour marred as yet the social harmony. The current impression of the 'Industrial Revolution' owes much to the fact that its antecedents are viewed through rosy-tinted glasses. In reality the notion that English society passed from an age of gold to an age of iron is a poetical illusion. The domestic system had one outstanding merit, the wide dispersion of the

¹ Sprat, *op. cit.* 388, 392, 400-401.

² *Ibid.* 257-258.

³ 1661: printed in Birch, *The History of the Royal Society* (1756), i. 55-65.

⁴ Sprat, *op. cit.* 130.

manufacturing community which contrasted favourably with the concentration in towns produced by the factory system, but it also had many drawbacks. First: there was no harmonious grouping of the industrial forces, since employers and employees were separated by the barrier of wealth and status, and their relations were embittered by chronic disputes over wages. The domestic artisan might seem to enjoy greater social independence than the factory operative in the arrangement of his working day—though an independence which was purchased with twelve hours' labour a day was more nominal than real. Yet he was as economically dependent as the factory operative, despite the advantage that he might own his instruments of production, for both alike were wage-earners. Second: the embezzlement of the raw material was a frequent practice—this was the principal defect in the eyes of the employer. Third: the long hours of labour worked under the early factory system were no novelty but a legacy of the domestic system when twelve hours constituted a normal working day. Fourth: the factory system inherited another evil tradition, namely, that of infant slavery. The exploitation of child labour was no new phenomenon but an integral feature of industrial life which met with general approval. Fifth: the domestic worker, broadly speaking, was assured of less continuous employment than the modern factory operative. Sixth: the connexion between agriculture and industry has been unduly stressed. The development of a proletarian class—that is, a class divorced from the soil, possessing no property, and living entirely upon wages—had made a considerable headway prior to the advent of the factory system, which completed the process by extending it to the spinning population composed of women and children, whose earnings had supplemented the wages of agricultural labourers. The opportunities for rural employment, available for men who were out of work, were not so frequent as is usually represented: all the indications are that the typical artisan was a landless artisan restricted solely to manufacturing. In any event men engaged in a sedentary occupation were unlikely to possess the physical qualities needed for farming

operations—a fact overlooked by those who lay emphasis upon the combination of rural and industrial pursuits. Seventh : the invention of machinery did not destroy craftsmanship in the textile industries, where the monotonous routine of the work done by hand was already mechanical in character even before the adoption of mechanical devices. This review of the economic conditions which prevailed under the domestic system applies more particularly to the West Country—once the principal seat of England's greatest industry—as well as to East Anglia. In these areas capitalism had gained a footing from the earliest times, and there existed a highly-developed capitalist organization. In the North Country the traditional structure of society maintained its ground more successfully : here the industrial mechanism was not so sensitive as in the West to the free play of economic forces, and it succumbed less readily to the dissolving influences of the new order. The 'domestic manufacturers' or working clothiers of Yorkshire, the counterpart of the yeomanry in agriculture, were themselves manual craftsmen ; and they enlisted the unstinted praise of contemporaries because of the friendly relations which subsisted between masters and men, combined with equality of opportunity—the chance afforded to the workers of rising in the world.

*The
domestic
system not
universal.*

It must be noticed that the domestic system was not universal : it was far from being the case that all industrial processes were performed in the homes of the artisans. Apart from the extractive industries—agriculture and the mining of coal, iron, copper, tin, lead and alum—where the labourers naturally worked away from their dwellings, there were numerous occupations in which the operatives were concentrated under an employer's roof—in the woollen industry at the finishing processes, in the silk industry at the mills for throwing, in the linen industry at the factory for cambrics and lawns, in the iron industry at the foundry and forge, in the glass industry with its glass-houses, in the copper and brass industries with their smelting and battery works, in brewing, in brick-making, in building, in calico-printing, in net-making, in paper-making, in the pottery

manufacture, in rope-making, in salt-making, in ship-building, in soap-boiling, in sugar-refining, in the tailoring industry, and in tapestry-making. This comprehensive list, which in the aggregate embraced the larger part of the working population (when the extractive industries are included), furnishes decisive proof that the 'Industrial Revolution' introduced no new form of industrial organization. In addition we occasionally find large industrial establishments in other occupations which were normally conducted on a domestic basis—in the spinning and weaving branches of the woollen, silk and linen industries or in the production of metal wares. In all instances where the labour was done at the master's 'works', the operations would be carried on under the immediate inspection of the entrepreneur; and the general conditions in respect of discipline and regularity would not be essentially different from those of a modern factory—except that the dependence on water-power would result in spells of enforced idleness, which might be compared with the present-day practice of 'short-time' working in periods of slack trade.

In another direction the advent of the entrepreneur was fraught with marked significance—namely, in the domain of urban economy. He had been responsible for the material prosperity of the older English boroughs, but he was also destined to be the moving spirit in shattering their cherished monopoly and exclusive privileges. For centuries they remained the established seats of manufactures as well as of trade, and they sought by legislative action and economic pressure to check the incipient rivalry of rural districts. None the less their efforts to concentrate industry within their field of jurisdiction completely failed. The trend of the textile manufactures away from the corporate towns to the upstarts which usurped their place was due to a variety of factors, yet an important cause was the flight of the entrepreneur in order to escape taxes, evade supervision and utilize cheaper labour. The expansion of industry proved incompatible with the cramping restrictions imposed by the craft guilds, and it overflowed from the boroughs into the

*The sphere
of urban
economy.*

suburbs and villages where it ran its course free from any impediment or restraint. At the opening of the seventeenth century the Venetian secretary in England wrote that cloth was "made all over the kingdom, in the small hamlets and villages and not in the big towns only". The inability of the Tudor monarchy to hinder the dispersion of the industrial population over the countryside, and divert the tide of social changes, implies that there were definite limitations to its authority: at the same time it attests the strength of a widespread movement.

*Internal
free trade.*

It is noteworthy that urban commercial capitalism did not share in the partial eclipse which befell urban industrial capitalism: the corporate towns still retained their traditional character as centres of trade. We may infer that the drawbacks of gild control, which were strongly felt in the sphere of production, were not only less irksome in the sphere of distribution but were offset by the obvious advantages of buying and selling in a recognized market. Nevertheless even urban commercial capitalism stretched out its tentacles beyond the territorial confines of the city walls. We have shown in our first volume that the degree of internal free trade enjoyed in the Middle Ages has been unduly minimized. The exclusive monopoly of trade claimed by the townsfolk was impaired by the bestowal of royal charters conferring the right to carry merchandise throughout England quit of toll. No mercantile privilege was valued more highly than that which released merchants from all local customs in any part of the country. Exemption from toll as a normal and familiar practice was a development of fundamental importance in the history of English commerce. The multiplication of grants of immunity shattered the protective system of the corporate boroughs and broke down their customs barriers: thereby it facilitated intercourse and paved the way for national economic unity. In the pregnant movement towards internal free trade the metropolis took the lead. Its ascendancy extended in all directions, and the provinces appeared at one time likely to become nothing but a vast hinterland, their resources exploited and their wealth drained away by London entre-

preneurs. The latter sought to entrench themselves in provincial centres, and make the capital the focus of the commercial life of the realm. Under the mediaeval economic system a particular town often served as the emporium of the producing area in which it was situated. This virtual monopoly in the local market was now being increasingly challenged by the efforts of London merchants to ignore such demarcations, and establish a national market in which all buyers met on an equal footing. They invaded the provinces, and by giving credit and offering easy rates for the carriage of goods they drew away the customers of the local dealers who were thus driven out of their own field. London agents went into the West Country of which Bristol regarded itself as the natural port, and into North Wales whose trade was largely appropriated by Shrewsbury, and there they bought up the cloth and shipped it abroad. The intrusion of moneyed men from the capital was deeply resented, and the sharp conflict of interests between London and its provincial rivals was voiced in the indignant remonstrance: "As if God had no sons to whom He gave the benefit of the earth but in London". The provinces, struggling against economic centralization and the domination of the metropolitan merchants, protested that "the benefit of trade should be equally disposed into all the veins of the commonwealth". In the same way it was found impossible to preserve the customary restrictions on the purchase and sale of grain in the face of the requirements of the capital; and here, again, their command of superior resources enabled the London purveyors to wrest the corn trade from the hands of their country competitors, whom they were able to outbid by the high prices which they offered. In the case of other towns besides London the growing needs of the urban population destroyed the barrier of local monopoly, and threw open dealings in grain to the uncontrolled activities of the city capitalist. In this manner the protective system with which each locality had enveloped itself in the Middle Ages proved incompatible with a national economy, and the assertion of freedom in the inland corn and cloth trades was only part of a larger movement to

break down all internal restraints on commercial intercourse.

Summary. In the light of a fuller knowledge English industrial society in the Age of Mercantilism wears, as we have seen, a different aspect from that generally portrayed. The key to its character must be sought not in a network of small producers but in the crucial position occupied by the entrepreneur. The latter found scope for his organizing ability in the enlarged scale of production based on a division of labour which was often minute. He found scope for his speculative instincts in sinking capital (whether his own, or borrowed, or provided by partners) in new industrial arts. He found scope for his technical insight in lowering the costs of production through an improved technique—the early utilization of coal, the erection of blast furnaces, and the adoption of innumerable mechanical devices mentioned by Cary and Dean Tucker. We shall find fresh evidence of his creative powers in the domain of foreign commerce.

(II)

Foreign commerce. In international trade, as in industry, there was no breach of continuity between the old order and the new. Its foundations had been laid in the Middle Ages when connexions were established with most European countries. In the sixteenth century it grew considerably in volume and began to assume a world-wide character. The exports of England penetrated into nearly every part of the globe: her imports comprised the products of four continents. A large portion of her population was mainly dependent for its livelihood upon oversea markets. Her commercial organization was highly developed on the basis of companies, while the working of her credit system and foreign exchanges reproduced in its essentials the mechanism of modern business life. In short, her economic destiny appeared closely interwoven with that of other nations, and in the Age of Mercantilism it was a commonplace that her "prosperity and power depend on trade". As Roger Coke exclaimed:

"Trade is now become the Lady which in this present age is more courted and celebrated than in any former". Two outstanding developments stimulated the expansion of commerce and opened up wider fields of opportunity to the entrepreneur. Of one we have already spoken, namely, the discovery of America and a new sea route to India, which created a fresh outlet for the energies of the mercantile class. The other was the sense of nationalism, which became a driving force to preserve economic independence by instituting direct trading connexions with countries hitherto monopolized by actual or potential enemies. In fact, the efforts of Elizabethan merchants to devise new channels of commercial intercourse contributed not less to the security of England than the exploits of Elizabethan seamen and the diplomacy of Elizabethan statesmen. The success which crowned these efforts is shown by the observation of the Venetian ambassador in the reign of James I. that "the English trade in all parts of the world with large capital"; and at the end of the seventeenth century England and Holland were coupled together as the two states which "drive the greatest trades of all European nations". England's foreign commerce was remarkable not only for the extent of her markets abroad but also for the variety of her exports and imports. This is convincingly demonstrated in a striking survey compiled by an Elizabethan merchant, of which an account is given below.

It was an indication of the economic status which Mercantilist England had attained that her rulers found it necessary to devote considerable attention to the problems arising out of her intercourse with other countries. Although foreign policy was not as yet dominated by economics, the latter entered more largely into international politics than political historians are wont to recognize. It is true that during the Middle Ages consistency in economic statecraft was rarely achieved owing to counteracting influences. English sovereigns were pre-occupied with futile schemes of territorial aggrandizement on the Continent, and sheer political considerations cut athwart the pursuit of a systematic economic policy. The native wool supply or the location

The economic factor in foreign policy.

of the staple abroad served as counters in a game of diplomacy which sacrificed economic realities to dreams of conquest. Fifteenth-century 'tracts for the times' advanced the claim that her industrial resources in wool and cloth, combined with her geographical situation, endowed England with an instrument of diplomacy which must make the whole world seek her friendship and goodwill. Tudor voyages of discovery enlarged the vision of Englishmen ; and they revealed to the nation its true element—the sea, as well as its true destiny—the expansion of the English people. The process of enlightenment was only gradual, for in consequence of the Reformation religion emerged as a potent factor in determining the attitude of states towards one another, though eventually it was completely superseded by the economic factor. Indeed the sixteenth and seventeenth centuries may be viewed as the battleground in which religious and economic issues contended for the mastery. The Thirty Years' War is usually regarded as the last of the religious wars ; and certainly after the middle of the seventeenth century the play of economic forces was less distracted by religious feuds. Still, much earlier it is manifest that the underlying purposes of statesmanship were being related to the achievement of economic objects. Admittedly there are cross-currents which make the picture often appear blurred and confused. England's foreign policy was in reality a mosaic, and its many-patterned texture disproves the notion that English Governments have pursued a consistent design of economic aggrandizement abroad. Territorial security, traditional relationships, religious antipathies, trade jealousies, the personal predilections of the sovereign, all might deflect the course of external policy ; but the economic issues ultimately proved paramount, and only the resolution to tolerate no military hegemony in Europe took precedence over them.

*England's
relations
with the
Continent.*

Even a cursory glance at England's relations with the Continent shows that the tidal forces of national self-interest were fast asserting themselves, and that these forces were fundamentally economic. In the sixteenth century Spain occupied the foreground of the picture, in the seventeenth

Holland, and in the eighteenth France. The first, Spain, was formerly one of the props of the English commercial system, since she controlled or influenced the chief European markets for cloth ; yet she was also the buttress of the Counter-Reformation, and this—together with her claim to appropriate the wealth harvested in South America, into which “ no other man ought to thrust his sickle ”—produced a state of tension and then open war which was detrimental to trade. The restoration of peace under James I., although unpopular with his subjects, brought with it a resumption of intercourse ; but inasmuch as the precious metals were ceasing to be an effective influence Spain receded into the background. Her place was taken by Holland. The latter was linked with England by close religious ties, and they shared a common aspiration in stemming the advance of the Counter-Reformation. Moreover Holland, the pattern of the nations, was constantly held up as a model to the English people, and no other country has exercised a more profound influence on their economic development. Nevertheless these considerations did not prevent a succession of wars, for they were overridden by jealousies. The interests of the two states were everywhere in conflict. They were competitors in northern and south-eastern Europe, in the East Indies, in America and in Africa ; the wealth garnered by the Dutch from fishing off the English coasts was a perpetual irritant ; and the tariffs which they laid on English cloth in order to protect their own textile industry nourished the embittered feeling. The antagonism fostered by these grievances was reinforced when Holland seized the opportunity furnished by the Civil War to establish an undisputed ascendancy in the world's carrying trade, and it bore fruit in the Acts of Navigation and the three Dutch Wars. In the eighteenth century the French supplanted the Dutch in public estimation as ‘ our greatest and most dangerous rivals in trade ’. Economic friction served to sharpen the edge of the national animosities which drew England and France apart, thus providing a conspicuous example of the interaction of politics and economics. The nature of the traffic, it was declared, enriched France “ whose power England

ought not to increase", and a tariff war paved the way for the second Hundred Years' War. In addition the belief that French imports exceeded English exports set the stage for a concrete application of the Theory of the Balance of Trade, and it inaugurated what came to be looked upon as 'a remarkable era of English commerce'. The world was afforded the classic spectacle of protective tariffs carried to the point where they resulted in the almost complete eclipse of normal commercial relations between the two leading countries of Europe. The famous Act of 1678, one of the landmarks in the history of Mercantilism, excluded the principal French products; and during most of the eighteenth century Anglo-French trade was mainly in the hands of smugglers. To this impasse futile economic jealousies and the logic of protection inexorably led. Inter-course with Germany was acutely affected by the controversy over the Hanseatic League, which had been deprived of its privileged position in England by Queen Elizabeth. The League retaliated with efforts to drive the English merchants from German soil. After half a century a conflict which had baffled Elizabethan statesmanship was settled under James I., and the commerce between England and Germany entered upon a long period of tranquillity. England's connexions with Russia and Turkey were largely controlled, as in India, by a trading company and not directly by the English Government; while the chief issue touching Scandinavia centred around the continuous advance in the tolls levied on ships passing through the Sound.

*The
merchant
class.*

The unique prestige accorded to the merchants engaged in oversea trade reflects the exceptional appreciation in which this class of entrepreneurs was held. The public esteem was traditional, for in Anglo-Saxon times the merchant who thrice fared over the seas by his own means was rewarded with the rank of nobility. He was eulogized as the 'master workman' and 'the steward of the kingdom's stock'; and it was declared that "all other callings received their vigour, life, strength and increase from the merchant", to whose hazardous as well as prudent undertakings "this nation chiefly owes all its wealth and glory". It is significant that

it was the normal practice in England, in marked contrast with the Continent, for the younger sons of gentlemen and 'sometimes of the nobility' to be 'bred' to trade 'without prejudice to their gentility'. High premiums, occasionally no less than one thousand pounds, were exacted from apprentices who received a training in "the excellent qualities which are required in a perfect merchant"; and as a consequence they were largely recruited from the wealthier sections of the community. Individual merchants were often in command of considerable capital. The Venetian ambassador wrote home in 1557 that among the Merchant Adventurers and Staplers "there are many individuals possessed of from fifty to sixty thousand pounds sterling": in terms of modern currency they were almost millionaires. The fact that merchants were commonly men of substance and credit meant that they were in a position to embark upon speculative undertakings, which is at once the hall-mark of and the primary justification for a capitalist system. The American plantations provided an extensive field for investment, in which moneyed men sank and often lost their capital. The foundations of an empire in India were laid by a group of merchants at a meeting held in London in September 1599, presided over by the lord mayor, when it was decided to form an association to establish direct intercourse with India. English capitalists promoted other new trading corporations such as the Eastland, Levant and Russia Companies; they financed voyages to Africa, which bore fruit in an immense accession of territory; and their efforts to capture the traffic in furs from the French resulted in the acquisition of Canada.

The growth of commerce, as evinced in the discovery of new markets and in the rapidly-expanding statistics of exports and imports, testifies to the existence of a vigorous and enterprising merchant class. "The merchants of England", it was affirmed in the seventeenth century, "are an industrious people and lovers of trade. They do not upon small—no, not upon great—discouragements give it over". None the less the communal system survived longer in the domain of foreign trade than elsewhere. The many difficulties attendant on 'adventuring' abroad help to explain

*Survival
of the
communal
system in
commerce.*

the success with which the companies engaged in 'feats of merchandise' asserted their exclusive rights long after individualism had emancipated itself in other directions. The circumstances of the age impelled merchants to assume the functions which are now the province of the State—guarding against the dangers of piracy at sea and robbery on land, presenting a united front against oppression and exploitation by alien potentates, maintaining embassies, and erecting forts. Thus the natural instinct of Englishmen to act in a corporate capacity, while it lapsed in the spheres of industry and agriculture, was powerfully reinforced in the sphere of oversea trade. Two types of companies were evolved—the regulated and the joint-stock. The broad distinction between them lay in the degree to which individual enterprise was tolerated. The regulated company was the older form of association; and its looser cohesion made it suitable for trafficking with countries where conditions were more settled. The joint-stock company was adapted for remoter lands where the normal risks of commerce were enhanced by political hazards. The posture of affairs might dictate an alternation of type—a company was sometimes regulated and at other times joint-stock. Every company had a territorial area assigned to it, in which the right of trading was restricted to its members.

*The
regulated
companies.*

The regulated company was an association of merchants, each of whom transacted his business separately but was subject to the 'old trade principles' laid down by the fellowship to which he belonged. Even the briefest survey of the 'common rules' of the Merchant Adventurers, the greatest of the regulated companies, discloses the narrow limits within which a merchant was confined in his operations. The by-laws covered all the aspects of trade. They stipulated that no member should sell his wares in any place inside the company's territory other than the 'mart' or 'staple' towns. Merchandise had to be shipped abroad in vessels chartered by the company, which sailed together at set times of the year. The continental market was held in appointed seasons during which commodities were offered for sale on certain days only in the week. A code of trading

etiquette was prescribed—for instance, the enticing of customers was prohibited. More important still, a 'stint' fixed the volume of exports which a member might handle. The idea of a 'stint' was in accordance with mediaeval gild principles, it existed in the coal industry in the seventeenth century, and it is a feature of the modern cartel: hence it furnishes a remarkable illustration of the continuity of economic practice through centuries of growth and change. The market was further controlled by the expedient of a restraint of shipping whenever the company wished to prevent a glut or produce a scarcity. Other regulations limited the maximum period of credit, imposed penalties on recalcitrant debtors, and endeavoured to maintain a high grade of quality by the exaction of penalties for defective wares.

Although the chartered companies were entrenched in the stronghold of privilege and sheltered behind the prerogative of the Crown, they were destined one by one to succumb to the pertinacity of those who assailed the traditional structure of commerce in the name of economic liberty. The conflict between the companies and the interlopers or 'free traders' raised a thorny subject of controversy. It involved the crucial question whether communal discipline or individualism should gain the upper hand, or (as it was expressed in the seventeenth century) whether trafficking overseas could be "possibly managed to the public and assured advantage of the commonwealth better by all English pretending merchants in a loose (which they call a frank and free) trade, than by merchants bred up in the mystery of this trade and associated together under order and government". On behalf of the regulated companies it was claimed that they enjoyed 'ancient privileges' in foreign countries, which ensured them inviolability of person and property, speedy justice against natives, immunity from taxes and the right of self-government. In addition they rendered public services by building 'many tall, warlike ships', by making loans to the Government, by preventing frauds in the customs, and by continuing to buy goods when there was a stoppage of trade abroad.

The case for the regulated companies.

Above all, they established 'politic government' based on the ideal of a 'well-ordered and ruled trade'. This ideal, inherited from the Middle Ages and maintained down to the Revolution of 1688, embodied a philosophy of commerce, in which 'adventuring' abroad was deemed a profession requiring training and experience, prices were kept at a high level, the standard of quality was guaranteed, and production was restricted. Upon these four fundamentals rested the communal organization of commerce.

*The case
against the
regulated
companies.*

The arguments in favour of an open trade show how the traditional outlook, embodied in the basic concepts, was being modified under the inexorable pressure of economic realities. The practice of endowing a company with exclusive privileges was bound to evoke the jealousy of those shut out from its limited membership. Freedom of trade, it was declared in the House of Commons in the reign of James I., "is every man's inheritance and birthright". Its denial infringed the 'Englishmen's liberty'—a phrase which (it is worth while to observe) occurs in a fifteenth-century statute (1497), although in the economic sphere the 'liberty' of Englishmen was scarcely more than a convenient myth. And those who hammered at the gates of the company, vociferating that "all free subjects are born inheritable to the free exercise of their industry", were supported by the testimony of facts, since behind the façade of a communal system which stood for equality of opportunity the forces of individualism were already in possession of the citadel. The bulk of the company's business was actually handled by a coterie of large traders who had managed to squeeze out the 'young beginners' and men of 'lower estates', despite the 'order of stint' which was nominally designed to curb 'the overgrown and great-pursed merchant'. Moreover hostility to the competitive instinct, which was enshrined in the communal system, had considerably weakened with the passage of time. The growth of competition, "all the world striving to engross all the trade they can", gradually forced upon English merchants the conviction that they must make it the interest of other nations to deal with them by discarding the policy of high

prices. The doctrine enunciated in 1645 that nothing "conduceth more to the enlargement of selling any commodity than cheapness" was a challenge to the mediaeval commercial concepts, and its eventual acceptance marked a fresh stage in the evolution of international trade. Thus against the companies—the enemies of excessive competition, which flooded the market with goods and lowered prices to the benefit of foreign buyers—were pitted the unlicensed traders, the 'active and industrious spirits', opposed to the staple system, insistent that commerce should be left free to find its own channel, eager to seek out fresh places of traffic, and ready to reduce prices for the sake of quicker returns. However—as in the parallel case of industry—the triumph of individualism was delayed until after the Restoration, when Parliament inaugurated the policy of throwing open by stages the oversea markets which had hitherto been the close preserve of the chartered companies. Under the spur of provincial jealousy of the metropolis, coupled with dislike of the companies' financial proceedings, the legislature had become converted to the view that the communal organization of England's trade with European countries was no longer appropriate in an age when commerce had attained its present 'height of perfection'.

The joint-stock company was a corporate body whose capital was provided by a number of shareholders who participated in the profits. The possibility of individual trading was not excluded, for private transactions might be permitted to the members in proportion to the amount of their stock. In the same way a regulated company was not incompatible with corporate trading, because groups of partners were sometimes formed. There was a rapid increase of the joint-stock system in the second half of the sixteenth century. Its merit was that it enabled capital to be drawn from a wide area: anyone was free to hold shares in the company whether 'skilled in trade' or not. Even international capitalism was foreshadowed in a promising project formed in 1614, when a group of European capitalists—English, Dutch and French—combined to finance an expedition to the East Indies. The drawback of a joint-stock was that a member could not,

The joint-stock companies.

with certain exceptions, carry on business as an independent merchant : he merely drew dividends on his investment as a shareholder. Hence it did not afford the same scope for individual enterprise as did the regulated company in spite of the restrictions imposed on its members. The joint-stock companies played an important part in the development of English oversea trade by opening up new branches of commerce in India, Africa and Canada, but they encountered the hostility of those who opposed the confinement of a lucrative traffic to exclusive corporations. The case for the protraction of their monopoly beyond a limited period rested on political rather than economic considerations, namely, the peculiarities of the situation which existed in non-European countries. This was notably the position with the East India Company, the greatest of the joint-stock companies, which originated as a mercantile body and grew into a sovereign power.

(III)

*Agri-
culture.*

The evolution of a capitalist system of industry and the growth of an international market had a profound repercussion upon the fortunes of English agriculture. It created issues which probed the depths of economic statesmanship in the Age of Mercantilism.

*Schools of
thought.*

England has always been vexed with an agrarian problem. It is particularly acute in our own day, when husbandry has become the Cinderella of English industries. Her ugly sisters, with their monstrous apparatus of factories and mines and crowded urban areas, strut the stage and hold the attention of the audience. The pleasant smiling fields of the English countryside are only brought to the consciousness of the town dweller in the course of an occasional excursion : to him, at their best, they are playgrounds for his lighter moments. Yet it is beginning to dawn upon English public opinion that the place of agriculture in the national economy constitutes a matter of grave urgency. One school of thought maintains the standpoint that farming must take its chance like any branch of industry. Its decline is an indication that capital and labour are finding

a more fruitful outlet for employment in other directions. To divert capital and labour, by artificial expedients, to spheres in which they are less profitable is to misapply the national resources, reverse the natural trend of economic enterprise, and sacrifice sober realities to idealism. The other school of thought regards England's economic fabric as dangerously one-sided: the former balance between agriculture and industry has been destroyed for the sake of world trade. The cry is raised for a rural policy which will make the cultivation of corn profitable for the farmer, which will bring back the labourer to the land, which will attract to the soil of England the capital that now finds its way to the ends of the earth, and finally, which will diminish the extent of England's dependence upon other countries for feeding her people.

In the Age of Mercantilism the agrarian situation had not assumed its present serious dimensions: nevertheless it bristled with difficulties and complications. In the first place, the passage from the mediaeval to the modern village necessarily stamped rural economy with a transitional character. A momentous change was taking place in the structure of society. The failure of the Tudor monarchy to endow the English peasantry with a clear legal title to the land facilitated the concentration of property in fewer hands, and made possible the large farms to provide raw material for an expanding industry and food for an expanding population. The result was seen in the decay of the yeomanry—the small farmers, both owners and tenants. Their decline was a continuous process originally set in motion by the disintegration of the manor, accelerated by enclosures for sheep-farming, and far advanced before the last quarter of the eighteenth century. The majority of labourers still occupied some land or at least had access to the commons, and their scanty income was supplemented by the earnings of their wives and children in spinning: yet their position, too, was precarious. In the second place, the dissolution of the monasteries meant that a considerable portion of the soil passed out of the hands of its conservative-minded owners. Their more enterprising and sometimes more unscrupulous

The agrarian problem.

successors showed a greater disposition to swim with the tide. Speculation in land became widespread, and a moneyed class enriched by trade found opportunities for profitable investment in the purchase and exploitation of the great estates which were being brought into the market. The effect was to promote the more thorough utilization of the resources of the soil and of the mineral wealth beneath its surface ; but at the same time the lack of regard for local custom and tradition increased the social instability generated by rapid alterations. In the third place, there already existed all the elements of a problem which have come to their maturity in the present century : already there had emerged a conflict of views between the farmer and the manufacturer : already there was the insistence that agriculture must be left to the free play of economic forces—that self-interest (and not an alleged national interest) must determine the course of its development. It was this fresh orientation, this new outlook on the land, which enhances the significance of Mercantilism in its bearing upon agriculture. The issues at stake were fundamentally those which have perplexed statesmen ever since Tudor days. Let us look more closely at the nature of these issues, and at the policy which was pursued in connexion with them.

*Postulates
of
agrarian
economics.*

For centuries it had been considered axiomatic that the primary purpose of farming was to grow corn for the nation, and to support on the land as large a population as possible. These were the twin postulates of agrarian economics, in the light of which all rural questions were discussed and all rural changes approved or condemned. During the Middle Ages there was no serious challenge to these postulates. Feudal military obligations and the economic requirements of his estate combined to give the lord of the manor a motive for maintaining a numerous peasantry. In so far as there was a population problem, it arose from the shortage not from the superfluity of labour—at any rate, in the years which followed the Black Death ; and even at other times the waste or uncultivated land was always at hand to provide an outlet for any natural increase of the country stock. It is true that corn was not the only product of the soil :

wool was in regular demand abroad, for down to the nineteenth century wool (and not cotton) was king. However the Cistercians, who were notable producers of wool, established themselves in remote and sparsely-inhabited regions. There was, until the fifteenth century, no marked encroachment of pasture-farming upon corn-growing, and the traditional balance in husbandry remained unimpaired. The growth of a native textile industry in the later Middle Ages created a new situation. The home market for raw materials expanded rapidly, and its influence on agriculture was momentous. It drove a wedge between the two branches of corn production and wool production. The sheep-farmer no longer kept to remote regions or to the waste that was no man's property. He now invaded the corn-fields. The foot of the sheep turned sand into gold; but where the foot of the sheep passed, farmsteads were pulled down, cultivators of the soil were sent adrift, the open fields with their maze of strips were enclosed—and the landscape, economic, social and physical, was transformed. The successful wool merchant proudly displayed on the portal of his mansion the 'posie':

" I thanke God, and ever shall,
It is the Sheepe hath payed for all " ¹.

The fate of the victims of economic progress is inscribed in the lines of Oliver Goldsmith:

" The mournful peasant leads his humble band,
And while he sinks, without one arm to save,
The country blooms—a garden and a grave " ².

The conversion of cultivated land into grass land at the present day raises an economic and a social problem. On ^{Sheep-farming.} the one hand, a diminished amount of corn is grown; on the other, a diminished amount of labour is employed. The sixteenth and seventeenth centuries were concerned only with the social problem. The supply of corn does not seem to have been adversely affected in our period by the extension of sheep-farming. The reason is that, side by side with the curtailment of the arable in certain areas, there was in pro-

¹ Thoroton, *The Antiquities of Nottinghamshire* (1677). 349.

² *The Deserted Village*.

gress a vital improvement in husbandry due to technical discoveries and more economical methods. This improvement, combined with the cultivation of the commons and the drainage of the Fens, resulted in an increase of crops which compensated for the loss sustained when arable was turned into pasture. Yet the social problem remained—the problem of the rural exodus. And it was the more serious in an age when the poor laws laid restraints on the mobility of labour, and when gild restrictions and the insistence on apprenticeship hindered access to urban occupations. The injury inflicted upon the occupiers of the soil involved an ethical question whether a landowner was morally justified in putting his estate to whatever use he considered best for his own interests. Sixteenth-century moralists were quick to perceive that the older conceptions of right and wrong were breaking down: in their stead was growing up the conviction that a man might do with his own as he would. More stress came to be laid on the rights of ownership than on its duties; and when land was thus treated primarily as a source of income to its owner, its real relation to the community was obscured.

*Attitude of
the State.*

The Early Mercantilist State ¹ directed its energies to the task of maintaining the English peasantry on the land, of checking the rural exodus, of preventing the displacement of the population from its traditional mode of life. Apart from the desire to avoid social unrest, considerations of national security reinforced the argument for official intervention since from the ranks of the husbandmen were recruited the defenders of the realm. "Whosoever doth not maintain the plough", said Cecil, "destroys this kingdom", for when levies are raised "we find the greatest part of them to be ploughmen". Accordingly the Government set its face against the commercialization of agriculture, that is, against the exploitation of the soil purely for purposes of profit without regard to the social consequences which might ensue. The urgency of the occasion was brought home by 'riotous and tumultuous' assemblies. Near the end of

¹ In agrarian and industrial policies two phases of the Mercantilist State may be distinguished. The dividing line comes at the Restoration.

Elizabeth's reign (1596) a rising was planned in Oxfordshire, where it was rumoured that "the commons long since in Spain did rise and kill all the gentlemen, and sithence have lived merrily there. It was but a month's work to overrun England". In the next reign occurred the Midland revolt. The insurgents called themselves 'Levellers'; and they issued a manifesto in which they protested against encroaching tyrants who would "grind our flesh upon the whetstone of poverty so that they may dwell by themselves in the midst of their herds of fat wethers". The ministers of Charles I. made a more determined effort to stem the agrarian movement, to preserve the corn-fields, and keep the villages intact. The era of 'prerogative government', when Charles I. ruled without a Parliament, is stigmatized by constitutional historians as the Eleven Years' Tyranny. In these days, when the working of parliamentary institutions is closely scrutinized—often with eyes none too friendly—we are perhaps less ready to look upon them as an end in themselves. We are more prepared to recognize that, like other institutions, they work badly when they become a cloak for self-seeking and the pursuit of personal ends. To men like Strafford and Laud the English Parliament, as it was then constituted, appeared to be a barrier to the realization of the social commonwealth of which they dreamt. Its members were largely drawn from the rural gentry or the urban *bourgeoisie*, that is, from the very classes which were seeking to profit by the economic opportunities of a stirring age. It was the rural gentry who, in the words of Isaiah, laid field to field: it was they who pulled down farmsteads and employed a shepherd and his dog on land where hitherto a score of families had worked and lived. It was the urban *bourgeoisie* who were displacing the independent craftsmen and creating a capitalist system with its appanage of dependent wage-earners. From a legislature composed of representatives of these classes, it might well seem hopeless to expect the social reforms on which some of the contemporary idealists had set their hearts. It is not surprising that the latter were out of sympathy with an assembly which appeared in their eyes to serve as a vehicle for the

satisfaction of private interests. We can at any rate understand how many reformers in the seventeenth century might find in the conception of patriot princes 'indulgent nursing fathers to their people'—which Bacon and Strafford advocated—a better promise for the nation's welfare than in the political ascendancy of landed proprietors and industrial magnates.

*Failure
of the
agrarian
policy.*

The famous decade 1630 to 1640 was marked by an unwonted vigour in all spheres of social policy, and a new spirit was breathed into the administration of the laws which were probably more stringently executed than in any other period in the sixteenth or seventeenth century. The Privy Council was engaged during these years in a sustained effort to cope with the problem of destitution, but it was not content merely to relieve poverty; and it sought to strike at the very root of unemployment in so far as this was due to the conversion of arable into pasture. Unfortunately the fiscal taint sullied the monarchy's handling of economic affairs, and debased the pursuit of social justice into an ignoble lust for pecuniary penalties displayed with a zeal that recalled the evil practices of Empson and Dudley under Henry VII. The levying of fines offered a temptation to the commissioners to seek opportunities for extortion; and the whole reforming programme was discredited when individuals were prosecuted for offences of which they were innocent. Clarendon, the apologist of the monarchy, confessed that Archbishop Laud "did a little too much countenance the commission for depopulation, which brought much charge and trouble upon the people". In the day of Laud's tribulation the charge was remembered against him; and even to-day historians find some difficulty in believing that proceedings, which served so conveniently to replenish the king's coffers, had any other motive behind them than that of turning breaches of the law into a source of royal revenue. However this may be, the agrarian policy of the Tudors and Early Stuarts proved a failure. The period during which it was seriously enforced was too short for any permanent results to be achieved. Doubtless, in any event, the economic forces set in motion by the overwhelming impact of industry on

agriculture were too strong; and henceforth the energies of the rural community were to be diverted into channels which might best satisfy the needs and requirements of the urban population. When the authority of the Privy Council waned, no further attempt was made to stem the current of economic change. After the Civil War there were issued neither statutes nor proclamations against enclosures; and once the landed aristocracy was placed firmly in the saddle by the Revolution of 1688, enclosures—so far from being condemned—began to be encouraged by parliamentary sanctions.

The significant thing for our purpose here is to observe that no sooner did the Great Rebellion curb the power of the monarchy, than the new outlook on the land was clearly articulated. The plea of economic freedom—tentatively urged by Sir Walter Raleigh in the last Parliament of Elizabeth when he said: "I think the best course is to leave every man free, which is the desire of a true Englishman"—now found open expression in its widest implications. More than a century before Adam Smith published *The Wealth of Nations*, the gospel of self-interest was proclaimed. The ethical standpoint, from which economic questions had been discussed in the sixteenth century by men like Tyndale and Latimer, was definitely discarded. Another era, for good or evil, dawned when Lee, 'minister of the Gospel', demanded to know whether landowners might not with good conscience put their lands to the best advantage. Lee was not opposed to sheep-farming, since he was prepared to trust to the profit-making instinct to promote the public good. If there were a shortage of corn, he wrote, "men will plough up their enclosed land for their own profit; it's an undeniable maxim that everyone will do that which makes for his greatest advantage". The argument showed how far men's opinions had travelled, when they were ready to accept self-interest and economic freedom as the natural basis of human society. The displaced rural population was bidden to migrate to other districts, where "they might better benefit themselves and profit the public". Formerly the social mischief attendant upon economic changes had dominated the whole

discussion. Now it was thrust into the background: it was, somewhat cursorily, dismissed with the suggestion that the victims should find something else to do. And it was not only in this appeal to self-interest that the trend of opinion was revealed, and a challenge was thrown down to the orthodox canons upheld by the State. The revolutionary notion was also beginning to prevail that the crux of the agrarian problem was the best mode of investing capital in the land, and not the best method of supporting people on the land. The new standpoint completely triumphed. Henceforth the use of land was to be determined by considerations of what was most profitable. The owner was encouraged to give free reins to the promptings of personal gain. The social injury which resulted from selfish indulgence no longer carried its former weight. Impressive consequences flowed from the inability of the Early Mercantilist State to check the movement which treated agriculture purely as an economic category, and ignored its other aspect as a way of life conducted on a traditional basis. They came to a head in the eighteenth century when the rapid increase of parliamentary enclosures—a procedure stigmatized by Arthur Young as “a composition of public folly and private knavery”—gave full scope to commercial forces with little regard to their reactions.

*Conflict
between
agriculture
and
industry.*

Hitherto we have been concerned with the rivalry between the two branches of husbandry—corn production and wool production. The Age of Mercantilism witnessed another struggle which was even more significant for the future development of the English people. This was the conflict of interests between agriculture and industry—between agriculturalists as primary producers and industrialists as consumers of food and raw material—a conflict which in one form or another has lasted down to the present day. Here both corn-growers and wool-growers found themselves united in their opposition to the claims of industry. The manufacturers wanted cheap food and cheap raw material. They therefore demanded that native corn and wool should not be exported abroad, in order that they might be plentiful and low-priced; while at the same time

they demanded that foreign corn and wool should be admitted freely into England, where they naturally entered into competition with home-grown produce. Owing to this divergence of interests the vision of an ordered commonwealth—in which the farmer and the manufacturer, the plough and the spinning wheel, co-operated harmoniously, the one to feed and the other to clothe the nation—remained unfulfilled. The problem which here confronted the statesmen of the day was of a more complicated kind than that which affected the relations between the two branches of farming. When they had to make a choice between arable and pasture, the grave social issues at stake left them almost with no alternative but to support the growing of corn and to discourage the growing of wool. When they had to choose between the claims of industry and those of agriculture, social issues appeared to be less seriously involved; and the economic issues could therefore be isolated and weighed on their own merits. It is noteworthy that the policy upon which the Later Mercantilist State¹ eventually embarked in the course of the seventeenth century continued in operation until about a hundred years ago: its general tenor was to afford protection to the producer of food but not to the producer of raw material. We shall consider the solution adopted in regard to corn: later something will be said as to wool.

Tillage was one of the pillars of the Mercantile System. *The Corn Laws.* It maintained people on the land in healthy employment, and freed the nation from dependence upon other countries for its food supply—"The realm doth more stand upon itself". In harmony with this broad conception of the place of agriculture in the national economy, corn producers were encouraged to raise grain sufficient to satisfy the nation's requirements and furnish a surplus for sale abroad. The agrarian policy pursued under the Early Mercantilist State professed to provide the requisite stimulus by permitting the export of corn and prohibiting its importation, except when prices became excessive at home. "It hath always been the care of the State", announced the Privy

¹ See *supra*, p. lxiv. note 1.

Council, "to keep the price of corn in times of plenty at such reasonable rates as may afford encouragement and livelihood to the farmer and husbandman"¹. Actually the enactments made on their behalf were largely illusory. While the national destinies hung upon the will of the sovereign, the legislation which was nominally designed to protect the producer veiled a consistent determination to favour the consumer. The statutory price limit, at which the transportation of corn was allowed, was almost invariably below the price in the home market, so that legally no shipment was permissible. The main reason is doubtless that the Government sought to keep the price of corn low for the sake of the poor, partly from humanitarian motives and partly to prevent disturbances. The export of corn when it was scarce and dear at home was bound to provoke resentment; and the monarchy was sensitive to every breath of popular discontent. If its economic policy eventually alienated the middle class, as will be seen later, its social policy was intended to conciliate 'the poorer sort'. Even in the letter just quoted the Privy Council manifested its concern "to moderate [the price of corn] in time of scarcity for the relief of the poorer sort". Moreover an illuminating debate in the House of Commons during the reign of James I. affords clear evidence that the preference shown to the consumer was approved by public opinion.

*Protection
for the
corn-
grower.*

After the Restoration there was a complete reversal of the corn policy which had been followed in earlier times: genuine protection was now accorded to the English farmer. The change was due primarily to the ascendancy of the landowning class, which was no longer held in check by the coercive authority of the Privy Council. It was intended to promote the interests of the landowner whose rents would benefit, and to give the farmer an assured market for his corn. It must be noticed, however, that the adoption of a new corn policy was facilitated by the progress which was taking place in agriculture. In the later seventeenth century there came into existence a race of spirited landowners and farmers—the counterpart of the entrepreneurs

¹ *Acts of the Privy Council 1619-1621*, p. 112 (1620).

in manufacturing—whose improvements set a standard to the rest of the farming community. Their exertions were attributed to the Civil War when landed proprietors, in order to repair their ruined fortunes, “fell to such an industry [to quote a contemporary writer, Houghton] and caused such an improvement as England never knew before”. The ‘good husbandries’, which revolutionized English agriculture, included in particular the use of turnips (among other roots), artificial grasses, and the reclamation of the land by drainage and irrigation. The significance of roots and artificial grasses proved far-reaching. They made it no longer necessary to leave a large portion of the land fallow every year, and they enabled the cattle to be kept alive in the winter. Fresh meat was rendered available throughout the year, and its substitution for salted meat in winter-time led to a decline in the death-rate and a consequent increase of population. Although partial and imperfect, the developments of the seventeenth century paved the way for the ‘Agrarian Revolution’ associated with the names of Jethro Tull, Townshend, Bakewell and Coke. Owing to the advance in agricultural technique the standard of husbandry was raised, and the apprehensions of famine were allayed. From this time onwards, for a hundred years, it was believed that English agriculture could be relied upon to satisfy the national requirements. The change of policy was enunciated in the Act of 1670, which permitted the export of native corn whatever its price might be in the home market. Not less important was the principle laid down in regard to foreign corn. A high duty was imposed by the Act of 1670 on imported grain when prices in England fell below a stated limit, and a low duty was imposed when they rose above. In other words, foreign corn could only be imported when native corn was dear. The result of these measures was to yield the corn-grower almost complete protection. He could freely export his own grain, and he was protected from alien competition except when prices here soared to famine heights. The Corn Law of 1670 thus gave effect to the fundamental maxim of the Mercantile System that a country should aim at being self-

supporting. It embodied the view expressed in the last Parliament of Elizabeth : " If corn is too cheap the husbandman is undone whom we must provide for, for he is the staple man of the kingdom ".

*Corn
bounties.*

The encouragement bestowed on the English farmer under the Later Stuarts went further, for the system of bounties on the export of corn, which Adam Smith vigorously assailed, was inaugurated after the Restoration and not after the Revolution of 1688 as was formerly supposed. The Act of 1673 ordered that a bounty should be paid on different kinds of grain when shipped abroad, so long as the prices at home did not exceed a stated figure. The purpose of the bounty was to ensure stability of prices, which would remove the farmers' apprehension of loss in the event of the market being glutted with a surplus of grain. It expressed the idea that the State should determine the nature of the economic activities of the community, encouraging some forms of enterprise by means of subsidies or bounties and discouraging others by the imposition of duties. At a later period the critics of Mercantilism saw in the institution of bounties the supreme example of the folly of State protection of industry ; but Adam Smith's criticisms were based on assumptions which, as we have pointed out, are historically not well-founded. The exceptional circumstances of the farming industry, which the uncertainty of the seasons renders the most highly speculative of all industries, appeared to afford special grounds for giving the corn-grower the security of steady prices as an inducement to keep land under the plough which might otherwise have been laid down to grass. The argument for conceding favoured treatment to the farmer was strengthened by the fact that in bad seasons he was not allowed to export his corn, while foreign corn was imported to bring down his prices. He could not therefore obtain the full advantage of a dearth, and might reasonably regard the bounty paid in time of plenty as a compensation for the restraints imposed on his trade in time of scarcity ¹.

We may now sum up the general conclusions. Through-

¹ The arguments which have been adduced against the view expressed in the text are insubstantial : see *infra*, Appendix, p. 503, No. 3.

out the sixteenth, seventeenth and eighteenth centuries the course of English rural life was profoundly disturbed by the conflict between those who wished to preserve, and those who sought to disrupt, the traditional basis of agriculture. On behalf of the innovators the claim was openly made that land was to be regarded like any other commodity, and converted to any use that its owner thought fit. The Early Mercantilist State endeavoured to uphold the principle that land stood in a separate category, but it was unable to place any effective limits upon the commercializing of agriculture ; and when the monarchy ceased to exert its former control in economic affairs, the new outlook became almost universal. The ground was thus prepared for the rapid acceleration of parliamentary enclosures, which began as a tiny rivulet and in the second half of the eighteenth century were swollen into a torrent. In another direction the economic statesmanship of the mercantilist epoch proved less impotent to influence the agrarian movement. After the Restoration was inaugurated the historic policy of encouraging tillage by means of duties on imports and bounties on exports. Whether the achievement must be placed to the credit of the Later Mercantilist State or ascribed, partially at least, to favourable seasons and the progress of husbandry stimulated by the needs of an urban population, England became ' a famous kingdom for corn '. She had emerged from the stage in which the Venetian envoy could write home : " In some places grain abounds, and there would be much more did not the natives shun fatigue ". Nor did she feed her own people alone. The statistics of the export trade register its growth, and lend colour to the claim that England did " feed other countries ". Even in the early years of George III.'s reign Arthur Young still clung to the belief that foreign nations might be induced " to buy their corn of us than to cultivate it themselves ". In the last quarter of the eighteenth century, when the foundations of the Mercantile System began to crumble, the increase of population led to the abandonment of the attempt to make England a self-supporting country.

(IV)

*Standards
of conduct.*

Every economic society prescribes its own standards of conduct. We must therefore expect to find a fundamental difference between mediaeval communalism and modern individualism in their basic concepts. Mediaeval communalism, in subordinating sectional claims to the common good, reflected the current precepts of morality, for in the Middle Ages economics and ethics were not divorced. Hence the insistence on righteous dealing between landlord and tenant; hence the view of commerce as the means to promote the welfare of the community and provide a 'sufficient' recompense to the trader; hence the doctrine of a 'just price' that was fair alike to producer and consumer; hence the efforts to extirpate the 'corrupt practices', as they were styled, of commercial speculation which manipulated supplies with the object of forcing up prices; and hence the unsparing denunciation of sheep-farming. Modern individualism is based on enlightened self-interest, and the frank recognition of the latter as the dominant motive force registered a stage in the evolution of economic thought. The author of *A Discourse of the Common Weal* in the reign of Edward VI. rested his arguments on the promptings of self-interest, since he believed that every man seeks "where most advantage is"; and Lee categorically affirmed that "everyone will do that which makes for his greatest advantage". These quotations indicate that the classical economists did not discover the 'economic man', who pursues his personal gain. Indeed in the middle of the seventeenth century he had already inspired the bitter reflection: "What does the merchant care, so that he be rich, how poor the public is?" Nor was there any novelty in Adam Smith's famous dictum, which became the accepted postulate of his school of thought—"Man's self-love is God's providence". The contention that public and private interests are ultimately identical had been anticipated nearly a century earlier by Sir Dudley North (1691), when he affirmed that "wherever the traders thrive the public of which they are a part thrives also". And Dean Tucker—of whom it was said by Bishop Warburton

that he "makes Trade his Religion"¹—wrote in 1757: "The self-love and self-interest of each individual will prompt him to seek such ways of gain as, by serving himself, will promote the public welfare at the same time". The trend of opinion voiced in these utterances created the setting in which an insurgent individualism could work out its destiny unhampered by the older standards of morality.

This revolution in economic ideas was not only a *Their* momentous departure from orthodox concepts but it had *practical* practical consequences of the first magnitude. It produced *consequences.* the new outlook on the land of which we spoke above; and it bore other fruit when the entrepreneurs came to exert a decisive influence upon the shaping of public policy. From the first their standpoint was clearly defined. They claimed a free hand in the conduct of their business, and they also demanded that the State should secure to them the undisputed possession of the home and colonial markets against foreign competitors. Their watchword might be described as *Laissez-Faire* in the sphere of industry and Mercantilism in the sphere of oversea trade—that is, freedom in making goods but restriction in the international exchange of goods. As a result, the industrial system was largely liberated from legislative control as early as the seventeenth century; while the process began much later whereby the commercial system was released from the stranglehold of tariffs. The one development emancipated the manufacturing class, the other the mercantile class. To these manifestations of economic statecraft we must now turn. We shall endeavour to show that the mercantilist attitude towards commerce, industry and monetary problems was deeply rooted in mediaeval ideas, and that the continuity of policy was eventually shattered in a regime of free enterprise.

In the domain of public policy, as in other directions, it is necessary to reconsider afresh the traditional views. For *Influence of Adam Smith.* many centuries England adhered to a commercial system

¹ *Thraliana* (ed. Balderston), i. 2. And of another Dean he said that he "makes Religion his Trade".

known as the Mercantile System, and we have long been accustomed to take our interpretation of it from *The Wealth of Nations* : indeed, there are not wanting credulous disciples at the present day who attribute the overthrow of Mercantilism to the teachings of this work. Adam Smith was unquestionably a great intellectual force, but as in the case of other outstanding figures the real nature and extent of his influence have been obscured by legendary accretions and by the repetition of well-worn clichés. On many fundamental points the current notions need to be modified—more especially, mercantilist opinion on money ; the adoption of free trade ; and the movement towards industrial *laissez-faire*.

*Traditional
interpretation
of the
Mercantile
System.*

The Mercantile System is defined by *The Oxford English Dictionary* as "a term used by Adam Smith and later political economists for the system of economic doctrine and legislative policy based on the principle that money alone constituted wealth". John Stuart Mill wrote : under the Mercantile System "it was assumed . . . that wealth consisted solely of money". Nothing has done more to discredit Mercantilism than the unquestioning acceptance of the interpretation placed upon it by these two economists whose writings formed the economic bible of many generations of Englishmen¹. For many decades

¹ Mr J. Viner seeks to revive the exploded theory that the Mercantilists "believed, momentarily at least, that all goods other than money were worthless" (*Studies in the Theory of International Trade*, 1937, pp. 16-17). No fresh arguments are adduced in support of the conventional view, nor is their absence compensated for by a certain *ὀρθόδοξος* attitude. A somewhat inattentive study of my text has led him to overlook the fact that the citations designed to show that money was not identified with wealth are not confined to 'writers after 1690' (cp. *infra*, vol. iii. 63). Mr Viner's own treatment of the subject is not free from inconsistencies. Mun is impartially cited as "guilty of the confusion between mere money and wealth", but also as one "who had a broad concept of wealth" (*op. cit.* 17, 20). Roger Coke is included among those who "reveal confusion" between money and wealth (*op. cit.* 18), although he defined money as "that by which all commodities are valued" and as "of no other use", and declared that "if we did too much abound in money this would be of ill consequence" (*infra*, vol. iii. 64). Mr Viner further errs in thinking that "the Mercantilists did not have in mind the possibility that a country may make investments abroad or may borrow from abroad" (*op. cit.* 16). A great many of the mercantilist writers were business men, and they were well aware of the extensive borrowings from the Dutch and of English investments abroad (*infra*, vol. iii. 212-214, 225). (This is also overlooked

[*contd.*]

it has been regarded as axiomatic that the whole structure of mercantilist doctrines and policy was grounded upon a confusion of money with wealth. Yet it is, on the surface, a singular notion that the business men of the seventeenth century—whose education was often much wider than that enjoyed by their modern successors, for they sometimes knew Hebrew, Greek and Latin, and (like Mun, Child and Dudley North) could compose instructive economic 'Discourses'—should have entertained delusions about money and wealth which are patently absurd. It can be demonstrated that the bulk of mercantilist writers did not believe in the crude fallacies generally attributed to them. They did not misconceive the true nature of wealth, which they elucidated in comprehensive terms; nor were they ignorant of the functions of money but had grasped in its essentials the Quantity Theory, which relates the value of money to

by Mr E. Heckscher—Deposits abroad " are a result of economic developments since the Age of Mercantilism ": *Mercantilism*, revised ed. 1935, vol. ii. 213.)

Mr Viner remarks (*op. cit.* 2) that where he is dealing with the same topics " there is no substantial conflict of interpretation or appraisal " between his views and those of Mr Heckscher. Actually the latter in his Article on " Mercantilism " in *The Encyclopaedia of the Social Sciences* (x. 338) states: " It is of course a travesty of the real opinion of these writers to say with Adam Smith that they identified wealth—an income—with money ". This opinion, expressed in 1933, concurs with that which I advanced in my first edition in 1931 (*infra*, vol. iii. 2, 62 *seq.*). In his revised edition of *Mercantilism*, published in 1935 (vol. ii. 186, 188-189), Mr Heckscher writes in a similar strain: " The function which the Mercantilists assigned to money and the precious metals outside the exchange mechanism was characterized, by its critics, by the expression—the identification of wealth and money. This must really have meant that in the mercantilist view there could be no other object of economic value apart from money. Expressed in this way, the statement is so obviously absurd that it may be taken for granted that no Mercantilist ever actually held this view ". And again: " The Mercantilists would naturally not deny that people must eat, clothe themselves, and have a roof over their heads. In the same way they certainly did not imagine that food, clothing and houses could be made from the precious metals. . . . It would be grotesque to interpret their silence [*sc.* those who ' did not state this explicitly '] as though what remained unsaid did not exist for them. Many statements can be found referring to other objects of wealth ".

Mr Viner, in reference to my criticism of the conventional interpretation of Mercantilism, observes (*op. cit.* 2): " I have not felt obliged to modify my appraisal because of what he has written ". Mr Heckscher, whose economic analysis is combined with historical insight and erudition, alludes (*op. cit.* i. 224) to " the numerous cases in which we have, independently, arrived at the same conclusion ".

its quantity. The conclusive quotations given below (from 1581 onwards) may be supplemented here by two memorable debates held in the House of Commons in 1523 and 1621. Both reveal clearly that even at this early date money was not identified with wealth, and that its principal function—to serve as an instrument of exchange—was recognized in an unmistakable way.

*Debate of
1523.*

The occasion of the first debate (1523) was the Government's demand for a tax of four shillings in the pound for a war against France. According to Hall¹, a contemporary historian, the House answered that "the fifth part of every man's goods is not in money nor plate. . . . The gentleman of lands hath not the fifth part of the value in coin. The merchant that is rich of silk, wool, tin, cloth and such merchandise hath not the fifth part in money. The husbandman is rich in corn and cattle, yet he lacketh of that sum. Likewise victuallers and all other artificers be rich in household stuff and not in money. And then consequently if all the money were brought to the king's hands, then men must barter cloth for victuals, and bread for cheese, and so one thing for another". Cardinal Wolsey addressed the House. "He showed the realm to be of great riches, first, because the king's customs were greater now than they were beforetime: also he alleged sumptuous buildings, plate, rich apparel of men, women, children and servants, fat feasts and delicate dishes, which things were all tokens of great abundance: with which repeating of men's substance . . . the Commons greatly grudged". The most remarkable speech in the debate was made by Sir Thomas More, the Speaker of the House, who supported the Government. "Nor is it well said of you when you object that this will carry the money out of England and leave it in France. . . . If you be so obstinate as to believe that making war in a country brings money to it, do but conceive awhile that the French had invaded us. Would the money they brought over, think you, enrich our country? Should any of us be the better for it? . . . When you did conceive the worst

¹ *The Triumphant Reign of King Henry the VIII.* (ed. 1548), fol. cix-cx.

that can fall out, you should yet eat your beef and mutton here, and wear your country['s] cloth. . . . But I say confidently you need not fear this penury or scarceness of money—the intercourse of things being so established throughout the whole world that there is a perpetual derivation¹ of all that can be necessary to mankind. Thus your commodities will ever find out money”. The argument is reminiscent of Dudley North, Hume and Adam Smith. More’s speech is not recorded by Hall but appears in Lord Herbert’s *The Life and Raigne of King Henry the Eighth*, published in 1649². Even if the historian, on the pattern of Thucydides, put into More’s mouth “the sentiments proper to the occasion”, it still remains significant that in the early seventeenth century men had grasped the fundamentals of the theory of specie distribution. Another speech, which appears to have been delivered by Thomas Cromwell³ in the course of the debate of 1523, is noteworthy because it discloses how the wealth of the nation was computed. “All the coin and bullion in the realm, I conjecture, cannot much exceed a million. If the value of the whole realm exceed not four millions, as my lord cardinal told us plainly, of which the possessions [*sc.* lands] were esteemed to amount to one whole million, there can be no doubt that the corn, cattle, commodities and utensils and apparel for men and women, which was never so sumptuous, and the wares made not only from our own produce but from the parts beyond sea, of which there was never so great abundance, amount at least to other two millions”⁴. This sixteenth-century analysis of wealth is based on a three-fold division—real estate, movables, coin and bullion.

The second debate held in 1621 evinced the ‘general *Debate of* opinion’ that staple commodities constituted riches. “It ^{1621.} is a general opinion that any kingdom that is rich in staple commodities must needs be rich”⁵. The description of

¹ Circulation.

² Pages 144-145.

³ The document is in the handwriting of Cromwell’s clerk (1523).

⁴ *Letters and Papers, Foreign & Domestic, Henry VIII.*, vol. iii. part ii. no. 2958.

⁵ *Commons Debates, 1621* (ed. Notestein, Relf, and Simpson), ii. 31.

money as a *communis mensura*¹, the 'measure of trade', testified to the function which it fulfilled. The Quantity Theory was implied in the statement that "since the treasure of the Indies was found, when we had plenty of silver come home, the price of things did arise"². The principle which governs the international distribution of specie — namely, that commodities attract money — was enunciated by Sir E. Sandys: "Spain is the well-head for silver; and though the law be rigorous, yet so long as they want the commodities of other nations and have no commodities to return, their money must needs go out"³.

*Theory
of the
Balance
of Trade.*

These statements on the nature of wealth and money serve to strengthen the view advanced below that the general body of mercantilist thought (1550-1750) was not built on a Midas-like conception of wealth — 'the narrowing lust for gold'. Although occasional lapses and unguarded phrases may be found in 'Discourses' which were not intended as economic treatises, the instructed opinion of the seventeenth century was interpreted by the historian of the Royal Society in 1667, when he criticized the 'Spaniards in America' because their 'chief design' was the transportation of bullion, which was so profitable that they neglected 'many other of its native riches'⁴. The practical importance of the controversy over money lies in the fact that it gave birth to the Theory of the Balance of Trade, which in the seventeenth century became a corner-stone of the mercantilist theory of foreign commerce. The mercantilist school adhered to the principle of free trade in the precious metals, in contrast with the bullionist school which favoured restrictions. Like any other commodity money could be sent abroad provided a favourable balance of trade, a surplus of exports over imports, brought money back into the country. The balance of trade was the factor which

¹ *Ibid.* iv. 59; v. 491. By 'measure' is here meant "the counters with which men reckon" (Davenant: *infra*, vol. iii. 65). Thus Murray spoke of money as "the common measure wherewith all trade is driven": *A Proposal for the Advancement of Trade* (1676), 4.

² *Commons Debates*, 1621 (ed. Notestein, Relf, and Simpson), ii. 29 (cf. *infra*, vol. iii. 63).

³ *Ibid.* iv. 112.

⁴ Sprat, *The History of the Royal Society* (1667), 383.

governed the import or export of bullion, and it acted as the barometer which registered the economic health of the nation. The conclusion followed that the Government should regulate not the flow of precious metals but the stream of commerce, directing it into channels which would ensure a surplus of exports over imports. The antecedents of the Theory of the Balance of Trade go back to the fourteenth century, and with the virtual extinction of the bullionist school in consequence of a historic change in English monetary policy¹, it became the accepted dogma of orthodox economic opinion and the touchstone of national prosperity. Its influence was profound. It furnished the arguments for the severe curtailment of intercourse between England and France; and it was the partial revolt of economists against its teachings which inaugurated the first phase of the free trade movement. In actual practice it proved impossible to ascertain what was the precise balance and to mould public policy accordingly. Moreover the theory, while it marked an advance upon the crude doctrines of the bullionists, tended to foster a distorted view of overseas trade since it measured its value by its balance rather than by its volume and character. However, in an age when England raised her own food supply and the raw material for her greatest industry, and banking and credit facilities were still incomplete, it was natural that foreign commerce should often be esteemed for the addition it made to the stock of precious metals. In any event we need not infer that the stress laid upon a favourable balance, as the obvious means of accumulating gold and silver² when a country had no mines of its own, implied the identification of money with wealth³ or entirely obscured a wider conception of the advantages accruing from international trade. A valuable corrective to the exaggerations born of propagandist zeal is supplied by the following passage from *The*

¹ The Act of 1663 : *infra*, p. lxxxviii.

² The precious metals were drawn from Spain by an unfavourable balance of trade.

³ When Great Britain in 1931 abandoned the gold standard on account of an adverse balance of international payments and the flight of gold, we need not infer that the British Treasury identified gold with wealth.

Marchants Humble Petition and Remonstrance to his late Highnesse (1659)¹: "By trade comes these benefits to our nation. It carrieth away our native [products] . . . and bringeth us such as we want, wherewith our *wealth* is increased, and the power and strength of our nation; [it furnishes employment] by which riches are distributed to all; . . . it multiplieth our shipping and mariners; . . . it bringeth great revenues by custom and excise. . . . And hereby you will have moneys, men, ammunition, arms, provisions, ships and mariners for all occasions".

Reasons
for the
promin-
ence of
'treasure'.

Admittedly the acquisition of gold and silver figures prominently as a topic of discussion in many mercantilist writings, though this was not due to any confusion with wealth but was justified (as well as explained) by the circumstances of the age. If we analyse the reasons for the prominence of 'treasure' in contemporary literature, we shall discover that they had ample grounds for their persistent anxiety to conserve and augment the national stock of a commodity which was indispensable as an instrument of exchange.

" . . . What is there in this Land,

But this thing *Money* has it at command? " ²

To begin with, their apprehension of an inadequate supply of currency for purposes of circulation was based on actual conditions. In the Middle Ages there are clear indications that landowners, manufacturers and merchants suffered from a general shortage, while the difficulties experienced in collecting taxes in money are reflected in the famous debate of 1523; and when in later centuries credit instruments began to be used, paper money could not wholly take the place of metallic coins. Moreover the provinces were handicapped by the fact, mentioned by Sir Josiah Child, that "the trade of bankers being only in London does very much drain the ready money from all other parts". We know, for instance, that the ironmasters of Furness were exercised by the problem of obtaining specie, and that the want of

¹ Page 4.

² G. M., *The Citizens Complaint for Want of Trade* (1663), in *Fugitive Tracts*, second series (1875), 8.

small change forced tradesmen to issue their own token coins. The widespread custom of paying wages in kind (truck wages), which lasted for many centuries in spite of numerous laws, was partly the result of a lack of circulating medium. Again, the English currency system was one of bimetallism and the inability to preserve a correct ratio between the two metals, gold and silver, caused at one time an outflow of gold to other countries, at another time an outflow of silver. Further, owing to the technical deficiencies of the Mint heavy coins were either melted down for plate and for export as bullion, which diminished the quantity of currency in circulation, or they were clipped, which diminished their value in payment for goods. And three great branches of foreign trade—East India, Baltic and Levant—depended on the export of bullion, of which the store had necessarily to be replenished from other sources. Herein lay one reason for the importance attached to the balance of trade as 'a national object'. A favourable balance with one country enabled England to support an adverse balance with another country whose products were essential to her, such as iron and naval stores¹. In the light of these various considerations may be discerned the explanation why the traditional attitude of the Middle Ages towards the precious metals persisted long after they had become more plentiful through the discovery of America. The Mercantilists were moved by a genuine fear of their lapsing into scarcity again, as in actual practice was sometimes the case. Davenant—who enjoyed perhaps greater authority than any other seventeenth-century economist—voiced the real mercantilist viewpoint when he declared, on the one hand, that the 'true riches' of a country consisted of industrious inhabitants and natural products; and on the other, that there must be enough money "to keep the wheels of the machine in motion", that is, for the payment of rent, wages, commodities and taxes. An insufficiency of specie to drive the nation's trade starved commerce of its 'radical moisture' and lessened its volume. The Mercantilists were

¹ *An Enquiry into the Causes of the Present High Price of Provisions* (1767), part i. 13, note 1.

not only concerned to prevent a scarcity of money : they also wanted to keep its quantity ever increasing since a rise in prices was favourable to industry—even Hume conceded that this was ‘good policy’. Our respect for the acumen of mercantilist writers is heightened when we find that already in the early seventeenth century they drew attention to the economic stimulus of an expanding currency. Indeed the mercantilist emphasis on treasure largely had its roots in the historical fact that the more abundant supply of the mechanism of exchange in the sixteenth century unquestionably served to lubricate the mechanism of production. In addition the Government had an interest in augmenting the amount of precious metals in circulation, for in time of war it was enabled to make essential purchases with a commodity universally acceptable. Hence the argument for a plentiful stock of money as the ‘life of commerce’ was reinforced by the needs of national defence, which demanded *nervi bellorum*¹. One final consideration must not be overlooked. The currency system was ultimately part of a general protectionist system designed to obstruct the ‘excessive import’ of foreign commodities and ensure that imports were paid for with native goods instead of money.

*Views of
Hume and
Adam
Smith.*

It is noteworthy that Hume, the acutest critic of the Theory of the Balance of Trade, held views on money which in many respects were not dissimilar from those entertained by the mercantilist school. He dwelt at length upon “the advantages which we reap from the possession of these precious metals”. Thus he affirmed that “in every kingdom, into which money begins to flow in greater abundance than formerly, . . . labour and industry gain life”; and he ascribed to “the discovery of the mines in America” the circumstance that “industry has increased in all the nations of Europe”. He asserted that scarcity of money means that the State “can levy few or no taxes”

¹ Governments would also have an incentive in increasing the quantity of money, since this not only facilitated payment of taxes but also enabled them to pay off their debts more easily. Cf. Henry VIII.'s motive in debasing the currency. The community, however, would suffer from the evils of inflation, unless the production of wealth was increased in proportion.

but in kind, and "cannot maintain fleets and armies to the same extent as if every part of it [*sc.* the country] abounded in gold and silver". He stressed "the weight which [the precious metals] give the nation in all foreign wars"; and he claimed that the State benefited "from the greater plenty of money . . . in its wars"¹. Adam Smith himself recognized the utility of the precious metals as instruments of exchange, but he criticized Mercantilism because he believed that no official 'attention' was needed to "supply us with all the gold and silver" required. This is an untenable assumption inasmuch as in the seventeenth century England could not freely import bullion from every country. After all, the modern device of raising the bank-rate in order to attract gold from abroad is only the counterpart of the methods adopted by the Mercantilists to secure an adequate amount of precious metals for the proper functioning of the economic machine. And when Hume gave his classical exposition of the self-regulating mechanism of specie distribution, he demonstrated what would happen in 'the long run', while the Mercantilists attached importance to 'the short run'. They were concerned alone with the undeniable fact that changes in the general level of prices, consequent upon even a temporary decrease in the quantity of money, may produce serious social reactions and bring on an industrial crisis². Both points of view are correct, and in this respect it is unfair and misleading to speak—as it is the common practice—of the 'fallacy' of Mercantilism. The shrewd business instinct of seventeenth-century England—"there are able heads in England to consult on matters in trade", wrote a correspondent in 1670—was seeking to avert what actually occurred after the

¹ Hume, *Essays* (ed. Green & Grose), i. 310-311, 313, 315.

² Elsewhere Hume (*Essays*, ed. Green & Grose, i. 315) did point out that "a nation whose money decreases is actually, at that time, weaker and more miserable. . . . There is always an interval before matters be adjusted to their new situation, and this interval is as pernicious to industry when gold and silver are diminishing, as it is advantageous when these metals are increasing. . . . The poverty and beggary and sloth, which must ensue, are easily foreseen". Yet Hume failed to recognize that this important admission sensibly diminished the force of his argument (based on 'the long run') against the mercantilist apprehension of a drain of money.

War of 1914-18, namely, the maldistribution of gold among the nations of the world. The economic malaise which then constrained every country to abandon the gold standard, and restrict the free export of gold, shows that the flight of gold can still exercise a potent influence in the sphere of policy ; and it enables us to understand the anxieties of the Mercantilists with a deeper and more sympathetic insight than was displayed by the classical economists.

*Ante-
cedents
of the
Mercantile
System.*

Pre-occupation with the subject of money has had the unfortunate effect of fostering a distorted conception of the Mercantile System, and obscuring its more essential aspect as a planned national economy based on self-sufficiency. To appreciate the true significance of Mercantilism it must be viewed not *in vacuo* but in relation to its antecedents. A correct historical perspective will take account of the evolutionary process which brought the Mercantilist State into being, and it will seek to interpret its many-sided phenomena in the light of its genesis and development. Mercantilism is town economy writ large. Under it the industrial and commercial activities of the community ceased to be organized on a local basis, and sectional interests were merged in those of the country as a whole. The ascendancy of the towns lapsed when a national regime replaced a municipal regime as the mainspring and vital principle of economic growth : disintegration, which had been the prevailing characteristic of the early society, began to yield to consolidation. The transition from a town economy to a national economy had already made marked progress in the Middle Ages. The process of unification, as it crystallized in the gradual concentration of economic forces in the State, is seen in a variety of directions—in the assimilation of municipal practices to a uniform standard ; in the legislation which regulated on a nation-wide basis the woollen industry, the conditions of labour, the assize of bread, the assize of weights and measures, the currency, and the customs system ; in the break-down of the barriers to internal trade ; and in the formulation of a common policy in external trade. Nevertheless, while the State represented

a more comprehensive view of society, now bound together in a community of economic life, it inherited the municipal armoury of ideas and weapons. It moulded itself upon the example set by the towns and applied the existing machinery on a wider scale. The unit was no longer the borough with its genuine sense of solidarity though narrow range of vision, but the nation ; yet the enlargement of the unit left unchanged the concepts in which the older structure was rooted, until they were modified under the insistent pressure of individualism.

A comparison of town economy and national economy enables us to discern the essential continuity of economic policy. In the stage of a town economy every borough strove to become a complete entity, a self-dependent body. It displayed jealousy of other burghal communities towards which it conducted itself after the fashion of an independent city state armed with active powers of aggression and defence ; it sought to establish a monopoly of industry over a wide area ; and it imposed trading disabilities on the strangers within its gates. In the stage of a national economy the body of tradition created by municipal practices was incorporated within the framework of State action. Its pivotal features, and especially the basic principle of exclusiveness, remained unaltered in so far as they implied the aim of self-sufficiency. The notion of self-sufficiency or autarky does not of course debar international trade, that is, the exchange of commodities with other countries¹. It implies that a community must normally produce its essential requirements in respect of food and manufactured articles, possess its own mercantile marine, and restrict foreign commerce to the export of superfluities and the import of absolute necessities. Accordingly the real kernel of the Mercantile System lay in the protection of agriculture, industry and navigation ; and the criterion applied to foreign trade was its reaction upon the other branches of the economic system. The accumulation of treasure was not one of the fundamentals of Mercantilism. Its subordinate place in the mercantilist scheme may be

*Economic
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ism.*

¹ See *infra*, vol. iii. Appendix, p. 489, No. 1.

gauged from the fact that the statute-book is burdened with innumerable Acts relating to tillage and manufactures and shipping, but only one law of importance concerns treasure, and this (as early as 1663) affirmed the right to export foreign coin or bullion: previous to its enactment free trade in gold and silver had been in practice conceded through the issue of licences. No stronger proof is needed that the Mercantile System was grounded, not on a confusion of money with wealth, but on the attainment of a balanced economy which in the interests of national security sought to achieve economic independence as the corollary of political independence. To interpret Mercantilism in the sense of economic nationalism does not involve the conclusion that it is necessarily a better system than its antithesis—international economic co-operation. The former aspires after self-sufficiency. The latter rests upon a more advanced principle, the international division of labour where each country concentrates its energies upon the pursuits for which it is best adapted and exchanges its surplus products for those of other countries¹. But it does recognize that economic nationalism is the logical fruit and counterpart of an extreme political nationalism; and its recrudescence in our own day suggests that it has a measure of justification where security is lacking, which its doctrinaire critics have failed to appreciate. However the resources of England were inadequate to provide her with the raw materials required in certain industries, and her dependence upon alien sources infringed the cardinal maxim of the Mercantile System. Hence the importance which was attached to the foundation of colonies, for they afforded the means by which foreign commodities could become 'native' to the realm: they opened up the vision of an empire knit together by economic ties in which each part sustained and nourished the whole, and the mother country and the colonies were made complementary to one another. Thus, in harmony with the fundamental principles of Mercantilism, the con-

¹ On occasion the more enlightened view of commerce was officially countenanced even in the early seventeenth century, when the narrow doctrine of self-sufficiency was discarded: see *infra*, vol. iii. 15.

ception of a self-supporting country eventually broadened into that of a self-supporting empire. The idea of imperial economic relationships was firmly entertained; and there was a consensus of opinion that the colonies existed to bring benefit to the parent state in consuming its manufactures, employing its ships, and supplementing its resources in raw materials. *

The legal structure of the Mercantile System rested upon three pillars — the Corn Laws, the Protection of Industry, and the Navigation Acts. Of the Corn Laws we have spoken above: they show that the Mercantilist State, while it was at pains to stimulate manufactures, endeavoured to avoid a one-sided development of the national economy. Adam Smith's famous dictum—that the discovery of America and a passage to the East Indies by the Cape of Good Hope raised the Mercantile System "to a degree of splendour and glory which it could never otherwise have attained" by making the towns of Europe become the manufacturers and carriers for Asia, Africa and America—led him to the conclusion that the object of Mercantilism was to enrich a nation "rather by trade and manufactures than by the improvement and cultivation of land" ¹. Yet in the case of England, at any rate, it was perhaps the most instructive feature of Mercantilism that it did not sacrifice agriculture to industry but sought to preserve something of a balance between them: the soil still fulfilled its natural function of providing food. Of the Navigation Acts it need only be said here that they were a legacy of the Middle Ages, since the policy of safeguarding the carrying trade dates from the fourteenth century. The methods of protecting industry were similar to those adopted in the case of agriculture, namely, the discouragement of certain kinds of imports by prohibitions or heavy duties and the payment of bounties on certain kinds of exports.

The system of promoting the producer's interests has been regarded as the "decisive novelty in Mercantilism" and its "most important original contribution to the history of economic policy"; but the protection of native manu- ^{Protection of industry.}

¹ *The Wealth of Nations* (ed. Cannan), ii. 125.

factures was not peculiar to Mercantilism. It was an integral part of mediaeval statecraft, and it gradually crystallized in a succession of measures against imports¹. This feature of Mercantilism was actually a deeply-rooted phenomenon, and in essence it was an extension of the spirit which had led the burghers of each mediaeval town to erect barriers against every other town—the instinct to protection from being civic had become national. The transition was in progress in the course of the fourteenth and fifteenth centuries, and it was finally consummated in the Mercantile System, which thus reflects the continuity of economic ideas adapted to the conditions of a changing environment. Nor was the protectionist element in Mercantilism grounded on a different set of motives from those which operated in previous centuries. The mercantilist argument in favour of protection as stated in the preface to James I.'s Book of Rates—"If it be agreeable to the rule of nature to prefer our own people before strangers, then is it much more reasonable that the manufactures of other nations should be charged with impositions than that the people of our own kingdom should not be set on work"—is precisely the same as that employed in a plea made on behalf of the silk industry in 1455: "Every well-disposed person of this land, by reason and natural favour, would rather that women of their nation born and own blood had the occupation thereof than strange people of other lands". Apart from the pressure of vested interests, manufacturers and artisans alike, the basic motives for protection in the Middle Ages and the succeeding centuries down to the present day have always been the *fear of unemployment*, coupled with the desire to foster infant industries. What is distinctive of Mercantilism is the more systematic application of a protectionist system in all spheres of the national economy in order to develop native productive sources of every kind, and it was due to the conscious pursuit of the ideal of self-sufficiency.

¹ *Supra*, vol. i. 363, 448, 454-455, 542. Protection at first was sought by merchants, not from foreign goods, but from their alien carriers. Then manufacturers claimed protection from foreign goods themselves as early as the thirteenth century.

It is necessary to observe that the Mercantilists did not disapprove of all imports or approve of all exports. Their discrimination between different branches of trade suggests that they were guided, not so much by the producer's 'fear of goods', as by 'general maxims' which furnished the criterion whether any branch was beneficial or prejudicial. They encouraged the export of manufactured articles and 'superfluities' such as coal, but prohibited the export of wool because it was needed for the native market. In the case of imports they regarded as 'eminently bad' the wares which competed with home products; they deprecated, as the author of the *Libelle of Englyshe Polycye* did in the fifteenth century, 'things of mere luxury and pleasure'; yet they recognized the utility of commodities with which the nation could not dispense (raw materials) or which could be re-exported. Such a classification of imports seems to imply that they were not viewed exclusively as a method of stimulating exports, but were considered a benefit in themselves in so far as they met essential national needs. It must be added that the definition of essential needs depended in practice less upon fixed standards of appraisement than upon varying circumstances. Thus the restrictions on the import of corn were only allowed to take effect when England was in a position to dispense with foreign grain—an indication that Mercantilism was not necessarily indifferent to the interests of the consumer. On this complicated basis was built up an elaborate protective network of prohibitions and high tariffs on foreign manufactured goods, combined with the removal of duties on foreign raw materials; at the same time the export of most native products was stimulated by fiscal immunities—the remission or reduction of duties as well as by the institution of bounties; while in some instances fiscal expedients were supplemented by the enforced consumption of native manufactures. The embargoes laid on the transportation of machinery and the emigration of skilled artisans were other links in the chain of protection similarly designed to safeguard the English producer against his alien competitors.

We have seen that Mercantilism discouraged various

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wool pro-
hibited.*

kinds of exports just as it encouraged various kinds of imports. This shows conclusively that a favourable balance of trade—the mere excess of exports over imports—was not the only consideration which shaped its viewpoint. Nor is it correct to suppose that the Mercantile System promoted any change of policy in favour of allowing the export of raw materials. It is true that the shipment of coal abroad was permitted (subject to a heavy duty), as it had been in the Middle Ages ; but in the seventeenth and eighteenth centuries the staple commodity of the realm, wool, was rigorously kept for the home market. The manufacturers claimed the right to monopolize the raw material produced at home, of which Dryden boasted in *King Arthur* :

“ Though Jason’s Fleece was fam’d of old,
The British wool is growing gold ;
No mines can more of wealth supply ”.

And they prevailed in their demand that it should not be sent abroad to feed the looms of their foreign rivals, “ so that we may not be killed with arrows from our own quiver ”. The protection of the woollen industry was the most tenacious doctrine in the economic creed of the Mercantilist State ; and for two centuries it was a leading principle of English commercial policy to stop the export of the chief raw material. The embargo remained in force down to the third decade of the nineteenth century despite the persistent efforts of the wool-growers to secure its repeal. Adam Smith held the opinion that, though the wool laws depressed the price of the material, they had not materially affected the quantity nor prevented an improvement in quality. It is certain, however, that the quality of English wool—once reputed the finest in Europe—did deteriorate ; and the graziers contended that it was due to the low price which made it more profitable to concentrate on the flesh rather than on the fleece. Whether or not the quantity also diminished, it is at least significant that the importation of foreign wool increased, and the best English cloth now comprised a large admixture of Spanish wool. Accordingly the prohibition of the export of wool, which was intended to serve the interests

of the woollen manufacturers, had the curious result (in so far as it was responsible for the deterioration of the fleece) of compelling them to consume more imported wool ; while their dependence on Spain deprived them of their former monopoly and placed them on the same footing as their competitors abroad. In another direction the woollen manufacturers experienced afresh the unforeseen reactions of a system of protection when they secured the exclusion of Indian textiles from the home market, which they treated as their natural preserve. Indian fabrics were shipped instead to the West Indies where they competed with English woollen goods : at the same time their replacement in the home market by printed fustians made of linen and cotton stimulated the rise of the cotton industry, the most formidable rival of the woollen industry. Thus the premier manufacture of the country appeared to gain small advantage from a protectionist policy which curtailed its markets abroad and nourished an upstart at home.

Every social and political system contains within it the seeds of its own decay, and once it is in process of disintegration the antiquated vestiges of a worn-out regime readily evoke adverse comments. Part of the criticism directed against the Mercantile System is based upon a distorted interpretation of its aims. Part reflects the inability to grasp the fact that a nation is a living organism whose growth is determined by historical conditions which the rulers of a community must take into account in their conduct of public affairs. In every phase of economic development the new is interwoven with the old ; and the trend of statecraft necessarily depends upon the degree to which traditional influences still retain their potency. Only as the new asserts itself at the expense of the old does a marked modification in statecraft become feasible. This warns us against the facile assumption that the change of outlook corresponding to the stage of evolution reached in the nineteenth century was practicable in earlier stages. To measure the activities of the past by the standards of the present or by the abstractions of economic science, regardless of their essential limitations, is to import modern

Canons of criticism.

concepts into the handling of historical problems¹. Yet if the standpoint of an age can generally be explained by the historical setting, it can of course only be justified or condemned by sound reasoning *in the light of the circumstances of the age*. The neglect to recognize the importance of this fundamental proviso vitiates much of the 'sound reasoning' of doctrinaire critics².

*Appraise-
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the aims
of the
Mercantile
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To form a just and balanced estimate of the Mercantile System two things need to be borne in mind. In the first place, as we have sought to show, Mercantilism when viewed as an historical category appears in a different light from that in which it is commonly depicted. It represented a situation in which the city state had developed into a national state without shedding its exclusive and self-centred character. In the second place, the aims and achievements of Mercantilism must be appraised, not by a

¹ A change of outlook is largely the necessary consequence of a change of conditions, which creates new concepts and establishes new standards of measurement. The advance of economic thought proceeds, as a rule, in close relation to the requirements of the existing economic system. Thus the stream of writings on agrarian and industrial topics, which grew in increasing volume after the Restoration until it attained its climax in Adam Smith's *The Wealth of Nations*, reinforced and supplied an intellectual background to the claims of the entrepreneurs. The concept of economic freedom, in particular, originated not as an abstract doctrine evolved by economic science but as a practical corollary to the place occupied by the manufacturer and the merchant in the national economy. When divorced from economic realities, the abstractions of economic science may only faintly suggest the context of an ever-changing society. The succession of 'historical categories' refutes the theoretical assumption of an unchanging 'norm', of a fixed and absolute standard. We may concede that economic ideas and discussions react upon the springs and motives of human conduct. In so far as economic analysis conduces to the better comprehension of economic phenomena and thereby instructs and moulds public opinion, it may be considered an independent formative influence in economic development, but this should not be exaggerated. The classical economists, whose opposition to factory legislation was actually based on unsound premises, became discredited by the growth of a humanitarian movement which instinctively saw in the exploitation of the working class the negation of social justice and economic welfare. Ultimately this movement profoundly modified the structure erected by economic science. Economic analysis is not the prime factor in determining economic practice, that is, readjustments and fresh developments in the economic system. Yet due recognition of the influence of objective circumstances on the evolution of economic theory does not involve a denial that the power of abstract reasoning plays a part in shaping human conduct.

² Thus Hume's refutation of the Theory of the Balance of Trade depends for its validity on the free movement of gold, but in the seventeenth century (and also after 1931) this did not exist universally.

minute scrutiny of economic literature of varying degrees of merit and authority, but by a comprehensive view of public policy as it was framed in Acts of Parliament and administrative regulations. We may, for instance, discount the erroneous opinions on the subject of money—which were not unknown then as now—when we find that they were not reflected in actual mercantilist practice ; and other examples exhibit the divergence between economic ideas and economic realities. More fairly we can criticize the Mercantile System for pursuing aims which were mutually contradictory. The Navigation Acts were intended to foster a mercantile marine but they hampered industry and commerce upon which the carrying trade depended : the protection given to one branch of industry was often detrimental to other branches : the old colonial system served to limit rather than extend the capacity of the colonies to absorb the products of the mother country. A study of these inherent contradictions in Mercantilism conveys the impression that it was largely nebulous and opportunist. The flux of human affairs and the needs of an ever-changing environment cut athwart the systematic working out of a planned economy based on specified and unvarying principles. We must therefore avoid the assumption that there was consistency or uniformity either in the conception or execution of the national programme, though there was unmistakably an underlying purpose. Another valid criticism of the Mercantile System is that it looked with jealousy upon the prosperity of other countries—at one time Spain, then Holland, subsequently France ; and it did not recognize (as is often the case to-day) that a trading nation benefits by having wealthy customers even if they are also competitors. Its standpoint was that of a merchant who sees his opportunity in the misfortunes of a rival ; and the notion of a static world with fixed resources failed to visualize the dynamic potentialities latent in the international division of labour. The commercial jealousies between nations proved a fertile source of wars, for which a heavy price was exacted in the dislocation of industry, the increase of unemployment, and the erection of work-

houses. It must not be forgotten, however, that seventeenth-century economists were already feeling their way towards a more enlightened view of commerce, for the progress of economic thought had begun to disclose an aspect wherein the world was conceived as an entity, of which the different markets were mutually dependent. By their insight and penetrating criticisms of the mercantilist theory of trade in its cruder forms, they became the forerunners of the 'free trade' economists of the nineteenth century.

*Appraise-
ment
of the
achievements
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When we turn from the aims to the achievements of the Mercantile System we find a sharp division of opinion. The critics belittle its practical importance. They view its legislative programme as an empty futility which pursued a mirage, the accumulation of treasure : they maintain that it diverted the national energies into channels where they were less profitably employed : they attribute to its operation the disruption of the first colonial empire. Another school of thought discerns in Mercantilism a vital element in the explanation of England's industrial, commercial and naval pre-eminence. It holds that the expansion of her industry and foreign trade, the supremacy of her sea-power, and the building up of an empire bound together by political and economic bonds, all testify to the success and wisdom of mercantilist policy. Our own estimate of the Mercantile System must start with the recognition that England in the seventeenth and eighteenth centuries did make immense strides. The crux of the problem is to determine how far this notable advance was due to a planned economy. In general, economic effects are produced by the interplay of a variety of factors, and it is difficult to measure the precise significance of any particular element. It is apparent that Mercantilism does not furnish the sole or even the main explanation of England's industrial and commercial growth, because foreign countries lagged behind although they had recourse to similar expedients. Other influences besides legislative interference were at work, and they serve to show how intricate are the threads that weave the economic pattern. The first was the energetic and resourceful char-

acter of the business leaders, who were drawn from all sections of the community since trade was not considered a bar to 'gentility': we have already spoken of their creative powers as evinced in their organizing abilities, speculative instincts and technical insight. The second was the scope afforded to freedom of enterprise by the gradual relaxation of the traditional restraints. The third was the reign of law, "the best inheritance that the subject hath"¹, which protected the liberty and property of the individual. The fourth was security from invasion² and the stability of the political institutions. The fifth was the abundance of natural products—especially corn and wool—and the early exploitation of the mineral wealth in coal. The sixth was the geographical situation in relation to Europe and America combined with a multitude of convenient harbours. The seventh was the adventurous spirit which encompassed the globe and opened up new markets for manufactures. The eighth was scientific discoveries in agriculture and mechanical inventions in industry. The ninth was the settlement of aliens. The tenth was the flexibility of the fiscal system which kept the burden of taxes proportioned to the expanding wealth of the nation, and the general disappearance of tolls in internal trade. The eleventh was the rise of a banking system which afforded opportunities for the deposit and employment of capital. The twelfth was the cumulative effects of centuries of uninterrupted economic growth. This impressive array of the factors which enabled England to outstrip her rivals in the race for industrial and commercial supremacy makes it impossible to assert that her economic ascendancy rested on the Mercantile System. When a seventeenth-century writer affirmed that "no nation in the world is naturally so adapted for a mighty trade of all sorts as England", it was her natural advantages which he had in mind.

Nevertheless we must not under-estimate the genuine importance of the policy pursued by mercantilist statesmen.

¹ Coke, *The Second Part of the Institutes* (ed. 1642), 63.

² "Nature has given us the best frontier in the world": *An Enquiry into the Causes of the Present High Price of Provisions* (1767), part i. 24.

*Importance
of the
Mercantile
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It can scarcely be questioned, for instance, that tariffs may materially assist an infant industry, though bestowing bounties fulfils the same purpose without raising prices to the consumer. In the sphere of agriculture the institution of bounties achieved positive results in encouraging the farmers to retain land under the plough. England became 'a famous kingdom for corn'; and whether or not this was owing mainly to a succession of favourable seasons and to technical improvements stimulated by the increase of the urban population, yet Mercantilism may claim some of the credit. In other directions the results attained by legislative measures were more problematical. We give reasons below for dissenting from the view (shared even by Adam Smith) that the Acts of Navigation, which provided the framework of naval policy for nearly two centuries, promoted the growth of shipping. Incidentally it must heighten our respect for seventeenth-century thinkers to find in a Stuart writer, Roger Coke, whose merits have long remained obscured, a reasoned criticism of the Navigation Acts more acute and penetrating than anything proffered by the later economists. Again in the treatment of Ireland, where the clamour of sectional interests produced an abundant crop of repressive legislation, Mercantilism conceived in the narrowest spirit yielded the fruits which have long embittered the relations between the two countries. Above all, what is termed the old colonial system was often selfish, even ungenerous, and it was nearly always unwise or inexpedient. Nothing that happened in the seventeenth century was more momentous in its consequences for the future destiny of mankind than the settlement of the New World by emigrants from the Old; but no one could foresee the incalculable significance of this impact of America upon Europe, and it was natural that the colonies should be viewed not as the nucleus of a new civilization but as the by-product of the old civilization. England's colonies were never intended to be like those of Ancient Greece, which cherished the sacred fire taken from the hearth of the parent state to remind them of their common origin, while they retained complete independence in the management of their domestic concerns.

The English settlers in the New World also carried with them the sacred fire in the form of a knowledge of law and the ordered liberty that springs from law, but in addition they preserved an organic connexion with the mother country from which they were sprung. The Acts of Trade, which governed the economic relations between England and her colonies, had injurious effects which were not always negligible. They had the unfortunate result of inducing the colonists, as Franklin bitterly protested, to "reflect how lightly the interest of all America had been estimated here, when the interests of a few of the inhabitants of Great Britain happened to have the smallest competition with it"¹. They were condemned by the Elder Pitt, who expressed his conviction that "the whole commercial system of America may be altered to advantage. You have prohibited where you ought to have encouraged; and you have encouraged where you ought to have prohibited"². And Burke went to the root of the matter when he claimed that a great empire cannot be supported "upon a narrow and restrictive scheme of commerce". None the less economic grievances were not the principal cause of the American Revolution; and in order to judge the system on which the British Empire was based for two centuries in a true historical perspective, it must be interpreted in the light of the services rendered to the oversea dominions. England furnished the plantations with their first settlers: she found the capital for their development: she ensured them a preferential market for their produce: she safeguarded their trade-routes: she defended them from hostile attacks. Thus the old colonial system, though it assumed that the mother country was entitled to reap substantial benefits from her possessions, was far from being one-sided. Under it the colonies enjoyed reciprocal advantages in the shape of the protection, the credit and the market of the parent state; and it may be fairly debated whether—in spite of the subordination of their economic interests to the welfare of the

¹ Franklin, *Works* (ed. 1887), iv. 106 (1768).

² *The Parliamentary History of England*, xvi. 106 (1766). For Burke, see *infra*, vol. iii. 197.

motherland—they did not derive from the connexion ample compensation for the sacrifices which it entailed. In any case their disabilities, however irksome they may seem on paper, could not have seriously retarded their growth: otherwise it would not have been possible for them to achieve their political emancipation. The Declaration of Independence was born more of a sense of economic strength than of economic weakness. Finally, in any appraisal of the Mercantile System we must never lose sight of the interaction of politics and economics. No economic question was approached from a purely economic standpoint. The Corn Laws were intended to maintain the nation's supply of food in the event of war: the fostering of the iron industry was advocated for the sake of arms and munitions: the Navigation Acts were designed to build up the maritime power of the kingdom: the prohibition of the export of wool was expected to inflict 'a deadly wound' upon the national enemy, France: the old colonial system was partly planned to secure the political subjection of the oversea settlements.

*Beginnings
of the
free trade
movement.*

The control exercised by the State in the domain of foreign trade survived long after its control over industry had virtually lapsed. The explanation lies in the united front which the entrepreneurs presented in their demand for *laissez-faire* in industry as contrasted with the cleavage of opinion among them regarding external trade. The manufacturers insisted on protection against alien competition, and their views prevailed over those of the mercantile interests. The beginnings of free trade were delayed until the last quarter of the eighteenth century, and it is a common assumption that the adoption of a new commercial policy was due to the influence of Adam Smith. Indeed it has been claimed that, without the evolution of a capacity for economic analysis, "the reign of Mercantilism in England might not have had its 1846 to 1916 intermission". Even so, one is faced with the problem of reconciling this interpretation of the course of events with the fact that economic science converted the statesmen of only a single country. Actually among the influences responsible for the disinte-

gration of the Mercantile System and the substitution of a policy of plenty for the policy of self-sufficiency, *The Wealth of Nations* played a much smaller part than is usually attributed to it. It served to supply an intellectual background to the forces which were transforming the outlook of eighteenth-century England: it explained or, more correctly, it provided a reasoned justification for the economic tendencies of the time: however it was not an abstract theory of international trade, nor a convincing demonstration of the fallacies of protection, that won over English industrialists to free trade. The interaction of politics and economics had produced by the end of the seventeenth century an alignment of parties divided in their attitude towards tariffs, which has remained a conspicuous feature of the parliamentary system down to the present day. And by this time economists had found in the theory of the 'general balance' of trade an effective weapon, with which to counter the views of those who condemned the trade with any particular country from which imports exceeded exports. Moreover they had anticipated the basic arguments in favour of free trade by demonstrating that it was the means to stimulate industrial efficiency and ingenuity, foster a mercantile marine, lower the cost of living, reduce the price of materials, promote the international division of labour, and establish friendship between states. Already in the seventeenth century they taught the doctrines that "the whole world as to trade is but as one nation"; that "trade is in its nature free, finds its own channel, and best directeth its own course"; that "England never throve by trade but while she was an universal merchant". But neither the politicians who were eager for political reasons to break down the barriers against trade with France, nor the economists who on theoretical grounds favoured the removal of restraints, were responsible for the change in the commercial policy of the country: the pressure of vested interests proved too strong. The real cause of the change was the confidence which English entrepreneurs had come to feel in their ability to meet foreign competition. The industrial interests still demanded protection, but they were content

to dispense with *legal* protection once they enjoyed the *natural* protection afforded by their superior efficiency. In short, the beginnings of the free trade movement in England were inspired by practical considerations; and abstract doctrines of economic freedom did not carry the weight with which they are generally credited.

(v)

*Industrial
policy.*

We have examined one side of public policy—its commercial aspect embodied in the Mercantile System. There was another side—its industrial aspect, which is not known by any distinctive name though it was based on similar principles. A traditional outlook moulded the attitude of the State towards industry as towards commerce, while the subsequent trend in the direction of *laissez-faire* was dictated, as in the parallel instance of free trade, by the growing influence of individualism.

*The
province
of the
State.*

At the opening of the nineteenth century when *laissez-faire* was enthroned as the fashionable philosophy, a president of the United States delivered an inaugural address in which he said: "With all these blessings what more is necessary to make us a happy and a prosperous people? Still one thing more, fellow citizens, a wise and frugal Government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labour the bread it has earned"¹. The province of the State as visualized by Thomas Jefferson represented an ideal which in his day had won almost universal recognition. It became the practice to fling scorn upon the old-fashioned principles which held sway in an earlier age. "The reign of Queen Elizabeth", it was confidently proclaimed, "though glorious was not one in which sound principles of commerce were known". Modern historians have sometimes followed in the wake of the classical economists: much of their criticism tends to be doctrinaire, because it introduces the mutable canons of present modes

¹ *The Writings of Thomas Jefferson* (ed. Ford), viii. 4.

of thought into the science of historical inquiry. We must view the past in relation to the actual framework of society in former centuries, and not by reference to standards from which we are already beginning to depart. The conception of freedom which predominated in the early years of the nineteenth century, when the State relied upon the play of unfettered competition and enlightened self-interest to achieve social harmony, was not necessarily suited to a different environment. In the sixteenth and seventeenth centuries the English people did not believe in an unregulated industrialism, or that it was the duty of the Government to hold aloof as much as possible from economic affairs. On the contrary, they were convinced that the divergence of public and private interests called for State intervention in order to protect the community from the harmful side of individualism. To understand the viewpoint which was then current, we must take into account the prevailing attitude of mind. In the first place, industry was still conceived, as in the Middle Ages, in the light of a public service. It was an 'art'—we should now term it a 'profession'—and, as in a modern profession, a code of conduct was laid down and suitable conditions were imposed designed to protect alike the interests of the public as consumers and of the skilled workers as producers. In the second place, the tradition of communal control in the economic sphere was deeply rooted in the historic consciousness of the English nation. There was never a time in the memory of men when the principles of *laissez-faire* had reigned, or when men had been left at liberty in their pursuit of a livelihood. In the Middle Ages agriculture had been regulated by the village courts, industry by the craft guilds, commerce by the merchant guilds at home and by trading companies abroad. The Englishman was reared in a society in which his business was not his business alone, and in which his economic life was no less subject to supervision than his political or religious life.

The Early Mercantilist State ¹, as it grew to maturity, inherited the communal traditions bequeathed by the Middle

¹ See *supra*, p. lxiv. note 1.

*Survival of
communal
traditions.*

Ages. It came into existence at a time when profound changes were taking place in the industrial landscape on a scale commensurate with the agrarian revolution. The growth of capitalism, the dispersion of textile production over the countryside, the emergence of new enterprises outside the jurisdiction of the craft guilds—these were inter-related phenomena, and together they imperilled the whole structure of industry as it had been built up in the Middle Ages on a gild basis. Accordingly the intervention of the State was imperatively demanded if the time-honoured sanctions of a rigid industrial discipline were to be preserved from extinction. It is seldom that Governments are entirely free agents. As a rule they are confronted with practical problems which they can only handle within the limitations set by the circumstances of their age¹, and public opinion was not yet prepared for the abandonment of the old order. To avert its imminent break-up, the central authority was impelled to assume wider responsibilities and to share with the local communities their main economic functions. Early mercantilist legislation was in its essentials nothing more than the application, on a national scale, of the orthodox practices which had been followed for several centuries by municipal bodies. And much that may now seem to us inexplicable and arbitrary becomes intelligible, when it is viewed in relation to the mediaeval antecedents of which it was at once the fruit and the logical sequel. Later we shall see how in the course of the seventeenth century men began to challenge the principle of State regulation of industry; and how a century before Adam Smith men were already proclaiming the identity of public and private interests and—as its corollary—the doctrine of economic freedom. This development, however, did not take place until the Civil War had shaken the very foundations of society and created a new balance of political forces. Not until after a convulsion of the first magnitude did the business community of England venture to claim openly

¹ The rulers of a country seldom enjoy the opportunity of creating a new social fabric on a *tabula rasa*; and normally they are constrained to act on 'short-term' considerations. The Russian Revolution is conspicuous as the unique exception.

the right to manage its affairs without official guidance. At the moment we are concerned with the normal functioning of public policy prior to the Great Rebellion.

The Early Mercantilist State avowedly sought to bring capitalism under control. The industrial entrepreneur was subject to restrictions in six different ways. First : he was not at liberty to decide the terms on which he hired his labour, since he was bound by legal rates of wages. Secondly : he was not at liberty to expand or contract his undertaking in response to a fluctuating market for his wares, since it caused unemployment. Thirdly : he was not at liberty to draw freely upon an unlimited supply of labour, since he might only employ trained workmen who had served an apprenticeship. Fourthly : he was not at liberty to manufacture his goods as he pleased, since he must conform to standard measurements and standard qualities. Fifthly : he was not at liberty to determine the prices of all his products in accordance with the laws of supply and demand or the ' rigging ' of the market, since they were sometimes fixed by public authority. Sixthly : he was not at liberty even to carry on his trade in certain circumstances, since it might be put into the hands of monopolists, who could either refuse him the right to continue in business or exact from him oppressive fees for doing so. Let us look more closely at these various manifestations of State control of industry. And first as to wages.

We saw above that the advent of a wage-earning class soon gave rise to the grievance of low wages. The grievance was as old as the capitalist system itself. It was voiced in a fifteenth-century pamphlet, *On England's Commercial Policy*, which indicated that at this very early date capitalism lent itself easily to exploitation.

" The poor have the labour, the rich the winning ".

It found expression in the complaint of weavers in the reign of Henry VIII. that their earnings were too small to maintain their families by toiling day and night, holy days and work days. The evil was accentuated by the failure of wages to keep pace with the advance in prices produced by the

influx of American silver into Europe. While the monarchy, acting through the agency of the Privy Council, sustained its grip upon the economic life of the country, the regulation of working-class conditions was considered the province of the State. It refused to recognize the claim of the wage-earners to combine together in order to promote their interests, yet as a compensation it did not leave them unprotected. It shouldered, in principle at least, the responsibility for safeguarding the welfare of the workers because it interfered in matters affecting wages, employment and technical training. The right of the State to lay down appropriate standards of remuneration for the working community became a fundamental concept of the industrial order. The famous enactment known as the Statute of Apprentices (1563) empowered the justices of the peace in every county and city to fix maximum wages, calculated to "yield unto the hired person both in the time of scarcity and in the time of plenty a convenient proportion of wages": later in the reign of James I. was instituted the first minimum wage law on the English statute-book. The question how far the authoritarian regulation of wages existed in practice has been much discussed. Wage assessments in one branch or another of industry have a continuous history for over two and a half centuries (1563 to 1824), and they have been revived in the twentieth century; but the machinery was most commonly put into operation in the first hundred years. Its efficient working depended primarily upon the hold which the central authority maintained over the local magistrates. Under Elizabeth and the Early Stuarts the Government displayed a genuine solicitude for distressed artisans, and showed itself ready to support the interests of workmen against their employers, so that the procedure cannot be regarded as purely one-sided. Cases of intervention were especially frequent in the reign of Charles I. when an active social policy was pursued. In some instances State interference involved reactions which neutralized its benevolent intentions. It was found that an increase in wages might lead to unemployment, and the Government then had to give way. The lesson was thus demonstrated

that economic problems cannot be solved piecemeal, that rates of wages react on prices, prices react on demand, and demand reacts on employment. However, it is not surprising that the statesmanship of the seventeenth century was baffled by interactions which are still a source of perplexity. The system of wage assessment has been criticized on various grounds. Historians were wont to denounce it as an instrument for degrading and impoverishing the labourer : economists condemned it as a violation of the principles of *laissez-faire* : employers stressed the technical difficulties of a uniform scale : workers sometimes claimed that wages should be governed by merit. The evidence here presented leads us to certain broad conclusions. First : State control provided a safeguard against undue oppression. The occasions on which the wage-earners pressed for an official rating may be interpreted as an indication that it was not considered to work unfairly in their interests. Secondly : it did not prevent a rise in wages, since assessments which ran counter to the popular sentiment remained inoperative. Thirdly : the attempt to vary the remuneration of labour according to the cost of living proved unsuccessful, and a fall in prices enabled the working class to maintain its traditional standard of life with less effort.

We turn next to the policy adopted in regard to unemployment. The growth of capitalism created the problem of unemployment as far back as the sixteenth century, for the more extended the market the greater is the liability to commercial fluctuations. The capitalist takes on fresh hands when trade is brisk and dismisses them when trade is dull : the ebb and flow of commerce react with a regular rhythm upon industry and produce at one moment an expansion, at another moment a shrinkage in the volume of employment. In addition, the abnormal interruptions which we call commercial crises were already a prominent feature in the Age of Mercantilism ; and the ' Industrial Revolution ' only intensified, it did not originate, the phenomenon of trade depressions. This explains why the early economists viewed with apprehension the rapid progress of industry. They saw clearly that England's commerce in becoming

Unem-
ployment.

world-wide was affected by the vicissitudes of a world economy, and that the course of her economic life was profoundly disturbed by occurrences remote from her territory. Hence they preferred to see the prosperity of the country broad-based on land rather than on the shifting foundations of trade. Even in the seventeenth century tariffs and wars were revealed as factors of cardinal importance. The efforts of 'the neighbouring nations in Europe' to establish their own manufactures made the continental market precarious; and their adherence to a protectionist policy furnished one of the main arguments for developing a colonial empire in order to provide an alternative market for English products. Moreover England seldom enjoyed a protracted spell of peace; and the industrial situation was adversely influenced by the succession of wars. They inflated certain branches of the national economy such as iron and ship-building, interrupted the normal channels of trade, disturbed the foreign exchanges, and brought in their wake unemployment and destitution. The attitude of the State towards the problem of unemployment has varied in different ages. Under the Tudors and Early Stuarts the prevailing tendency favoured intervention. The period extending from the Civil War to the close of the nineteenth century was marked by *laissez-faire*. The twentieth century witnessed the revival of the principle of intervention though in an altered form. The reason for State action in the first epoch was partly that it carried on the traditions of the craft guilds, partly it was due to the fear of social unrest, and partly there was a genuine desire to protect 'the poor man's labour, his inheritance'—to quote a seventeenth-century phrase. The methods of official intervention were both legislative and administrative. The legislative method was to secure continuity of employment by insistence on long engagements. In the Middle Ages it was usual to bind workmen for lengthy periods, sometimes for three or four years. The practice was given legal force in the Statute of Apprentices (1563), which enacted that no person should be taken into service for less than a year. The hiring of farm workers at the annual fair, or 'statute', lasted into the nineteenth century and in some

places it survives at the present day. The administrative method was to find work for the unemployed, or exert pressure upon employers not to turn their men adrift but to keep them at work. "Those who had gained in profitable times", the Privy Council admonished capitalist producers, "must now be content to lose for the public good until the decay of trade was remedied". One of the most memorable depressions in English history lasted several years (1620–1624), when the export trade in cloth declined by one-third and unemployment was widespread. A royal commission was set up in 1622—the first of its kind to make a detailed investigation of the causes of unemployment. Its comprehensive report presents a contemporary analysis of a phenomenon destined to become a recurring feature of England's economic development.

The third restriction laid on industrial entrepreneurs was the obligation to employ trained labour. By making technical training on the basis of apprenticeship compulsory for all engaged in industry, the State supported the claim of qualified workmen to be protected against cheap labour, and the claim of consumers to be protected against unskilled workmanship—but a check was imposed on capitalism since it curtailed the supply of labour. The Statute of Apprentices, which invested apprenticeship with general legal sanction, remained on the statute-book for two and a half centuries (1563–1814). Its observance was primarily a matter of local custom, and there was an infinite variety of practices in different parts of the country. *Technical training.*

The economic functions of the State were not confined to regulating the conditions of labour in relation to wages, employment and training: they also embraced the sphere of production by prescribing the technical processes of manufacture. The minutest rules were framed respecting the nature of the materials, the use of mechanical appliances and the form of the finished products. Every branch of industry was in some degree brought under control, though the one chiefly affected by national regulation was the woollen manufacture—the favourite child of the legislature which lavished upon it unremitting care and attention. *Standardisation of industry.*

In order to ensure 'true making', cloth had to conform to a certain length, breadth and weight : it was also forbidden to mingle different kinds of wool, or use various ingredients in dyeing, or employ mechanical devices such as gig mills and tenter-frames for finishing and stretching the fabric. Other laws on the statute-book limited the number of looms permitted to each weaver as well as the number of apprentices, and made compulsory an apprenticeship of seven years' duration. In short, an intricate network of rules was devised which was intended to standardize industry, that is, to establish a uniform standard of quality and dimensions. In actual practice it was found impossible to compel the manufacturers to manage their business on the lines laid down for them. For one thing, the elaborate code of restrictive legislation served to defeat its own purpose. "It were better", said a contemporary (Misselden), "to have fewer laws with better execution". For another thing, there was no satisfactory method of enforcement ; and in the absence of an efficient administrative machinery the system of inspection was casual and partial. A later age condemned attempts to standardize industry on the plea that it hampered individual enterprise. Much of the criticism was just, since the community had by then grown ripe for a larger measure of industrial freedom and for greater elasticity in the working of the industrial mechanism. We must not, however, infer that in former centuries the individual could have been safely left in the conduct of his business affairs to the promptings of enlightened self-interest. Nowadays the maxim of trade runs—"The interest of the seller is sufficient security to the buyer for fair dealing" ; and it is believed that competition will promote its fulfilment. Whether or not this is true the state of industry in earlier times, at all events, justified a system of regulation if not necessarily the particular forms which it favoured. There are sufficient indications that official supervision was needed with a view to impose elementary ideas of honesty and give credit to the manufacture by the prevention of abuses ; while it also harmonized with the gild tradition that industry should be 'orderly governed'. And the discipline imposed by the

gilds and by the State may well have played its part in schooling the producers of wealth in habits of self-restraint, and in instilling into them a sense of those economic virtues on which alone can be built up an enduring reputation for sound workmanship and just dealing.

Among the legacies bequeathed by the mediaeval gilds to the modern State was the principle of price control. The conviction of consumers that price movements were due to the machinations of middlemen gave birth to a series of experiments designed to secure stability of prices. Commodities of which the price was fixed by the State at one period or another include cloth, silks, ale, wines and tea, but the conspicuous examples of continuity of policy were the two primary necessities of bread and coal, for here a serious rise in prices easily assumed the proportions of a national catastrophe. Attempts to govern the price of bread extend from the thirteenth to the nineteenth century. They were intended, explained Davenant at the end of the seventeenth century, to "give the common people the benefit of plenty", the weight of bread increasing as the price of corn fell. He based his approval on the ground that it was "strange economy in our government" that abundance should make commodities a drug to the producer and very little cheaper to the consumer. Nevertheless he was not in favour of price regulation for all commodities but drew a distinction between those of a uniform character, such as bread, and those capable of improvement by "skill, art and care". In the former case he considered that limitation of the price "may be for public advantage", but in the latter it was "impracticable and a bar to industry". Coal, like bread, came within the first of these two categories. It is safe to say that no economic question in the seventeenth and eighteenth centuries agitated the public mind more persistently than the price of coal, and the repeated though fruitless efforts made by the authorities for over two hundred years to check its continuous advance represent an illuminating episode in the age-long conflict between producers and consumers for control of the market. We show below how various factors exerted an influence on the price of coal,

and consumers naturally failed to distinguish between a rise brought about by economic causes—changes in the general level of prices, the law of diminishing returns, increased distributive costs, growing taxation and royalties—and the fluctuations produced by the mine-owners' curtailment of output in the northern coal-fields and the traders' manipulation of the metropolitan market.

*Patents of
monopoly.*

The sixth restriction on manufacturers was the most deeply resented of all the restraints placed on industrial capitalism. No feature of the economic policy of Elizabeth and the Early Stuarts has attracted more attention than the patents of monopoly, and nothing has done more to bring it into discredit. Under the patent system the State bestowed the control of an industry on an individual or a group of individuals acting in a corporate capacity. The delegation of governmental functions to private persons seeking their own profit tended to create a kind of feudalism in industry. At the present day public opinion is beginning to look with favour upon the idea of establishing corporate bodies to administer important national services: they are public utility bodies so constituted that they shall serve not the interests of their members but those of the community. The patent system was something radically different, since the 'projectors' into whose hands was confided a branch of industry or trade were concerned only to exploit their opportunities for personal gain. Apart from the oppressive and self-seeking conduct of the agents whom the monarchy employed in its projects for stimulating industrial development, grave mistrust was also aroused on account of the suspicion which attached to the sincerity of its motives. A protectionist policy, intended to make England economically independent of foreign countries, was associated with a fiscal policy of finding new sources of income, which would make the executive politically independent of the legislature. The attempt to combine in a single scheme aims widely dissimilar was invariably disastrous. A genuine, if mistaken, national object lent colour to specious proposals for raising money, while the lure of revenue warped the Government's judgment and blinded it to the rocks which lay ahead. It must be

noticed, however, that the pecuniary motive was not entirely without justification, for the Crown could reasonably claim that the loss of customs duties on prohibited articles should be compensated by an excise on the commodities produced at home. Unfortunately the patents were so ill-managed that the sum extracted from the consumers was out of all proportion to the amount which reached the exchequer. Industry was manipulated to draw in revenue at a cost to the taxpayers which was utterly unconscionable, since the greater part of the indirect taxation was intercepted by the monopolists. The fundamental defect of the patent system lay, in fact, in the malpractices of its administrators, and even a good patent could be rendered noxious by the servants of the patentee. None the less we shall miss much of the significance of the patents of monopoly, if we concentrate our attention solely upon the tortuous fiscal proceedings of the Crown or upon the extortions of its agents. There was another side to the patents, and it constitutes their true importance as an episode in English economic development. This side reflected a real desire to introduce new industrial arts. In the sixteenth century England was behind the Continent in several branches of industry, for example, cloth-finishing, glass-making, paper-making and mining. Her dependence upon other nations ran counter to the principles of Mercantilism ; and some of the patents at any rate were deliberately intended to free England from her handicaps, and make her self-sufficing so far as her natural resources permitted. The soap patent, for instance, provided that no foreign soap should be imported and that native soap should be made with home-grown materials. Similarly, the salt and glass patents professed to encourage English manufactures. The fostering of infant industries is of course a normal objective in protectionist countries, but nowadays it is accomplished by means of tariffs and subsidies. The peculiarity of the mercantilist methods was that they strove to achieve self-sufficiency by the prohibition of imports, coupled with the concession of exclusive privileges to an individual or company. Thus they vested complete control of the market in the hands of a single producer, because

protection from external competition was combined with the suppression of independent enterprise at home : the sequel, as may be readily imagined, was a considerable advance in prices. In brief, a legitimate desire to promote a new process assumed the form of a regimentation of the manufacture as a whole ; and disproportionate risks, involving the maximum interference with established trades, were countenanced for the sake of an uncertain advantage. The classical example is Alderman Cockayne's famous patent. Misselden's comment on the 'unhappy project' for dyeing and dressing cloth may be applied to many of the ill-starred industrial experiments of 'this stirring age', as it was styled by a prominent 'projector': "In charity we may think it was good in the purpose, though it proved ill in the practice".

*The craft
gilds.*

We have seen that the claim of the State to regulate the industrial life of the community was in harmony with a deep-seated tradition. Another sign of the essential continuity of economic outlook in the Middle Ages and in the Age of Mercantilism is afforded by the survival of the craft gilds. It is sometimes the usage to speak of the 'decline' of the craft gilds after the sixteenth century. The term must be understood to mean that the growth of new centres of industry, where the writ of the gilds did not run, deprived the crafts of their former predominance in the industrial order. It must not be taken to imply that the craft gilds ceased to be of any account in the national economy, for they continued to perform some of their functions. The persistence of the gild regime is shown by the numerous grants of incorporation which both the Crown and Parliament made during the seventeenth century to newly-formed or old-established crafts. The erection of these companies indicates how strongly entrenched was the mediaeval idea of the corporate rule of industry. The dominating sentiment still supported in principle the exercise of authority in economic affairs. It held, to quote a contemporary view, that the craft gilds had "worked great good in respect that the government of every artificer and tradesman being committed to men of gravity, best experienced in the same

faculty and mistery, the particular grievances and deceits in every trade might be examined, reformed and ordered". In accordance with this sentiment various proposals were advanced in the seventeenth century for the reconstruction of industry on the basis of corporations, armed with powers of control and search. The most striking was put forward by a royal commission in 1622, which advised that a corporation should be set up in every county to supervise the making of cloth. If the recommendation had been adopted, it would have brought rural industry within the framework of the craft gilds and reversed the whole trend of development since the close of the Middle Ages; but the proposal for the general reconstitution of industry on a gild foundation did not materialize. One body—the Yorkshire clothing corporation established after the Restoration—is particularly noteworthy, because it represented an experiment to broaden the structure of the craft gild, so as to make it a partnership between the industrial and non-industrial elements. Its organization exhibited a significant departure from that of the craft gilds: it was not exclusively a professional body since its membership embraced the ruling authorities as well as those engaged in the cloth manufacture. It thus foreshadowed a new form of association in which power is shared between Industry and the State. To this form of association there are signs that England may again return. For in the eternal flux of human affairs the cycle of the ages often brings mankind back to an older standpoint.

We have now to trace the breakdown of State control of industry and the growth of industrial freedom—the move-^{*Laissez-faire*}ment towards *laissez-faire*.

In the Age of Mercantilism the issue was fought out whether individualism should be allowed a free hand or kept rigorously under control, whether the dissolving forces of commercialism should ruthlessly destroy the mediaeval fabric of society or remain subject to the traditional checks and balances. The issue was a momentous one for the future destiny of the English people. The old order had^{*The momentous issue.*}

judged economic conduct by an ethical standard which took account of its social reactions: the new order judged economic conduct by the standard of enlightened self-interest. The ideal of the old order was stability: that of the new order was progress. For a century (1558-1660) England was distracted by the conflict between these rival concepts. It is not, perhaps, the province of the historian to consider whether she would have been a happier country if she had retained some, at least, of the fetters which clogged individualism: wisely or unwisely she sacrificed them on the altar of progress. The 'Industrial Revolution' was not the cause of the triumph of the entrepreneur—on the contrary, it came first to England because the entrepreneur had already been liberated from the prison-house of tradition and authority.

*Position
of the
monarchy.*

In the light of these considerations we can measure the significance of the problem as it presented itself to the statesmen of the sixteenth and seventeenth centuries. It raised the fundamental question whether the State could successfully control the rising tide of individualism; whether it could give scope to the free play of capitalist enterprise while ensuring that the pursuit of private gain did not involve social loss to the community. In its handling of the situation the monarchy stood unmistakably for the preservation of the old order—in the economic sphere not less than in the spheres of religion and politics. Without attempting to check the development of a capitalist class, it endeavoured to define its activities: to this end, it applied on a national scale the principles by which in the Middle Ages the corporate institutions—urban guilds and village courts—had sought to regulate industry and agriculture. Statute law came to the rescue of local law: it reinforced a decaying custom which was breaking down under the pressure of economic forces. The position taken up by the Crown was one of the main reasons for the alienation of the middle class whose political self-assertion, born of a sense of economic power, was nourished and inflamed by specific grievances. By the side of the religious and constitutional struggles proceeded another struggle—a duel between the monarchy seeking to

preserve the traditional framework of society, and an aggressive and progressive middle class bent on establishing its ascendancy. The issues at stake in the Civil War were not only those of the Crown versus Parliament and of the Established Church versus Nonconformity, but of a community conducting its economic functions on a disciplined if confined basis versus the entrepreneur following a lonely furrow. In all ages the collision between authority and individualism has been a symbol of human progress and unrest; and the significance of the Great Rebellion lies in the all-important fact that it was a revolt against authority—not alone political and religious but also economic¹. The triumph of the Roundheads destroyed 'prerogative government' and a national church; and simultaneously it destroyed a society in which enterprise and initiative were fettered by a network of restrictions. The eclipse of the Tudor and Early Stuart regime was destined to usher in an era of economic freedom not less than an era of constitutional and religious freedom.

Whatever may be our view of the religious and constitutional issues which set at variance the monarchy and the nation, it is difficult to avoid the conclusion that in economic affairs the former was constrained to adopt a conservative attitude. Particular features of its policy may be condemned, but in so far as it aimed at the conservation of the social fabric it was in harmony with tradition. Much of the criticism levelled against the earlier mercantilist statesmen is vitiated by the implied assumption that they were presented with a blank sheet, on which they could inscribe any kind of programme in disregard of the psychology and immemorial practices of the community for which they legislated²: in a word, it lacks the sense of

The weight of tradition.

¹ In this connexion the close association of the Dissenters with trade and industry is significant. Those who broke away from authority in the religious sphere would be more inclined to take up an independent attitude in the economic sphere. Freedom is a thing of the spirit, and the intimate relation between its different forms of expression—political, religious and economic—is not accidental.

² One main reason why a political revolution generally fails to achieve fundamental changes in the economic system is that the same men usually continue to work the administrative machinery, and their mentality clings

[contd.]

historical realities. A violent breach with the usages of an ordered economic life was inconceivable on the part of the Early Mercantilist State, which pursued the consistent aim of protecting the existing structure from the corroding influence of the commercial spirit. Drawn irresistibly into the struggle between the conflicting ideals of stability and progress, the Tudors and Early Stuarts ranged themselves uncompromisingly on the side of stability, because they inherited the traditional outlook of their predecessors and stood for the maintenance of a society based on communal discipline and authority. Moreover it must be remembered that the armed forces at the disposal of the Crown were negligible; the shadow of insurrection hung over it like the sword of Damocles; and it had an inducement to discourage activities which threatened to stir up the masses. Economic progress might seem to be bound up with individualism, but a heavy price had to be paid in social welfare. Sheep-farming involved the displacement of the tenantry from their ancestral holdings, and flooded the peaceful countryside with swarms of beggars who were a menace to public order and private security. The growth of capitalism in industry degraded the status of the independent craftsman and created the wage-system. The expansion of commerce exposed England to the vicissitudes of a world economy, with its concomitants of commercial crises and unemployment. In short, economic change meant a loss of social stability which was repugnant to the traditional morality, and which no Government could afford to ignore.

*Failure
of the
monarchy.*

We are confronted with the question: why did the monarchy fail to control the dynamic forces which shattered an obsolescent society? Ultimately the explanation lies in the fact that the forces which animate a progressive community are too strong to be held in check by governmental agencies. Their triumph lay in the logic of evolution. Whether or not, capitalism in its present form proves to be a historical category suited to a particular stage of man's

to the existing ideologies. Here we may find an important element in the explanation of the contrast between the Russian Revolution (1917) and those which occurred in Germany (1848 and 1918): cf. Lipson, *Europe in the Nineteenth and Twentieth Centuries*.

development, it appears that in the past at all events economic progress has been largely dependent upon individualism, upon personality, upon the concentration of capital and the marshalling of labour groups under unified direction. The communal organization of society had for the time being exhausted its vitality. Its slower-moving mechanism was not sufficiently flexible to adjust itself spontaneously to the ever-changing needs of a people in whom the adventuring spirit of enterprise was never wholly quiescent. None the less, subsidiary causes were in operation, and they help to explain why the Government found itself powerless to halt the process of disintegration.

The personal character of the monarchs and the difficulties of their position have an important bearing in this connexion. Queen Elizabeth inaugurated an elaborate code which turned local law (the custom of the locality) into national law (the custom of the country) by extending the scope of the age-old principles of wage assessment, technical training, a balanced economy, and relief of the poor ; and the code remained on the statute-book for two hundred and fifty years. Her successors were signally unfitted for the planning and execution of a coherent policy, or for the management of any public undertaking. James I. lacked dignity : Charles I. aroused mistrust by his tortuous methods. *The personality of the rulers.* The influence exerted by personality upon History has been much debated. This influence is apt to appear negligible, or at least comparatively unimportant, in the eyes of the economic historian aware of great tidal movements, of vast currents, which seem to pursue their way to a predestined end regardless of puny efforts to stay their course. Admittedly we must not always expect to find evidence of a conscious human purpose in the weaving of the social pattern : the movements of the shuttle may be determined by impersonal, imponderable forces. Nevertheless economic statesmanship, if wisely directed, is not perhaps so impotent as a purely economic interpretation of History may tend to suggest. It is not impossible that if the Early Stuarts had been cast in a different mould, and if their statecraft had been more disinterested and single-minded, the breach

between the old and the new, between mediaeval society and modern, might have been less irreparable. At a critical phase in England's development, those in whose hands lay her destinies proved unequal to the greatness of their opportunities. The ministers of Charles I.—Strafford and Laud—were men of another stamp, with greater vision, courage and resolution than their royal master; and they gave to the so-called Eleven Years' Tyranny its impress as one of the most remarkable decades in English social history. Yet both allowed themselves to be carried away by their zeal for what they believed to be a righteous cause, and their arbitrary methods helped to deepen the cleavage between the monarchy and the middle class.

*Religious
and parlia-
mentary
issues.*

Apart from the personality of the rulers who were placed at the helm in these momentous years, there were problems of another kind, religious and constitutional, which the Tudors had bequeathed to their successors. The economic question became inextricably entangled with questions which excited even more passionate feeling. This is the peculiar feature of the situation, which has served to obscure the trend of events. The issue between the monarchy as the champion of the established economic order, and the rising middle class as its assailant, became involved with a widely different issue between the monarchy as the champion of the established religious order and the Puritan opposition. And yet a third issue was created when the monarchy, seeking to maintain its traditional position in the State, came into collision with the legislature which was encroaching upon the royal prerogative. Thus on one side was ranged the historic monarchy, defender of the national church and a communal society; on the other side a representative assembly voicing the demand of the pioneers of individualism for religious and economic freedom. In the circumstances an open breach between Crown and Parliament was inevitable whatever the particular causes of friction, for they represented irreconcilable principles of national development. And in this confused medley of issues the fate of one determined the fate of all. The interaction of religious and economic factors provided the mainspring of a constitutional move-

ment which resulted in consolidating the ascendancy of Parliament and in freeing the capitalist class from control by the Crown.

The authority of the monarchy in the economic arena was impaired not only by its conflict with the religious and parliamentary forces arrayed against it but also by its alienation of the law courts. The common law of England, as will be seen, was not unfavourable towards restraints on individualism when they were definitely sanctioned by immemorial usage ; but it was opposed to any fresh restrictions upon enterprise, and it disliked the exercise of the royal prerogative in economic affairs. " The common law ", declared Chief Justice Coke in a memorable passage, " hath so admeasured the prerogatives of the king that they should not take away nor prejudice the inheritance of any ; and the best inheritance that the subject hath is the law of the realm " ¹. The Crown, therefore, could not look to the law courts for support of its economic policy. Accordingly it found itself at variance both with the legislature and the judicature. *Alienation of the law courts.*

The fiscal problem brought its own quota of difficulties. The monarchy lacked the resources for experiments in State Socialism, and this was a potent cause of its failure to stem the encroaching tide of capitalism. Moreover the price revolution which occurred in the sixteenth century seriously aggravated the plight of the royal exchequer. It grew impossible for the king to manage on the normal sources of income—to ' live of his own ', as the expression went—even in respect of the ordinary expenditure. In default of parliamentary subsidies, he was driven to gather money by all kinds of shifts and devices, for instance, by exacting penalties for the breach of obsolete laws, by grants of monopolies, and by other dubious expedients. The financial embarrassment of the Crown not only stimulated its interest in economic affairs, but threw doubts upon the sincerity of the motives which prompted its designs. Everything done by the Early Stuarts betrayed complex motives. A genuine desire to promote the national interests was combined with proposals *The fiscal problem.*

¹ Coke, *The Second Part of the Institutes* (ed. 1642), 63.

of a fiscal nature. We see the mixture of motives in the incorporation of crafts, in the bestowal of patents, in the penalizing of enclosures, and in the manipulation of the industrial code which was laid open to grave abuses. It is not surprising, then, that some historians have discerned in the policy of the Early Stuarts nothing but the pursuit of sordid aims—the raising of revenue without parliamentary sanction. Yet to adopt such a view, unless it is considerably modified, is to miss the significance of the whole economic trend of the seventeenth century. It was a coincidence that the maintenance of the traditional system became mixed up with purely fiscal measures.

*Elements
of dis-
affection.*

Another defect of economic statesmanship in the first half of the seventeenth century was its lack of coherence and consistency. The struggle for mastery between the contending principles of co-operation and individualism became lost in what seemed like a chaotic welter of petty projects, ill-conceived and worse executed. Every interest in the land was in turn attacked and alienated. The gentry were irritated by commissions of depopulation sent to inquire into enclosures. The farmers were alarmed by plans for public granaries, and angered by the ruthless repression of tobacco-growing for the sake of Virginia. The manufacturers had innumerable grievances in patents of monopoly, which “entrenched upon the freedom of the subjects”, in schemes for textile corporations, in the complexity of the laws prescribing the processes of industry, in the prohibition of labour-saving devices, in the assessment of wages, in the pressure put on employers to keep their men at work in bad times and to employ none but those who had served an apprenticeship. The retail traders found their existence menaced by efforts to suppress speculation in grain and wool and coal. The merchants engaged in oversea commerce were rendered hostile by attacks upon the trading companies, by interference with the foreign exchanges, by the seizure of the bullion stored for safety in the Mint, by intervention between creditors and debtors, and above all by the exaction of increased customs duties—“In no part of the world [are traders] so screwed and wrung as in England”; “Our

estates are squeezed from us, and we now become only to have the name to be rich". All these elements of disaffection combined to widen the breach between the monarchy and the industrial and trading classes.

Richard Baxter's analysis of "the quality of the persons which adhered to the king and to the Parliament" shows that economic causes had a conspicuous share in determining the alignment of parties in the Civil War. He rightly held that it was "principally the differences about religious matters that filled up the Parliament's armies", but the cleavage between Puritans and non-Puritans reflected, in a degree which was scarcely a coincidence, a division between conflicting economic interests. "A great part of the lords came to the king. A very great part of the knights and gentlemen adhered to the king except in [the eastern counties]. And most of the tenants of these gentlemen and also most of the poorest of the people did follow the gentry and were for the king". On the side of Parliament were ranged the smaller part of the gentry in most counties, "and the greatest part of the tradesmen and freeholders, and the middle sort of men; especially in those corporations and counties which depend on clothing and such manufactures". If, proceeds Baxter, "you ask the reasons of this difference—the reasons which the [Parliament's] party themselves gave was because (say they) the tradesmen have a correspondency with London and so are grown to be a far more intelligent sort of men than the ignorant peasants. And the freeholders, say they, were not enslaved to their landlords as the tenants are. The gentry (say they) are wholly by their estates and ambition more dependent on the king. The other side said that the reason was because the gentry did better understand affairs of state than half-witted tradesmen and freeholders do"¹. It is evident that potent economic influences were at work, though they might be veiled or unsuspected.

We must not, in fairness, overlook the fact that the monarchy was gravely handicapped by the absence of a trained civil service, which would have made it more

Baxter's analysis.

The administrative problem.

¹ *Reliquia Baxteriana* (1696), i. 30-31.

practicable to curtail the field of capitalist enterprise. The attempt to focus the economic life of the community at a single point, and to bring its varied activities under control, broke down inevitably owing to the shortcomings of the administrative machinery. Ambitious economic programmes remained largely paper programmes, because adequate resources were lacking to give them substance. The strict regimentation of the economic system was viewed as the province of the State at a time when the machinery of government was primitive and a civil service of the modern pattern hardly existed. The progress of legislation outran executive efficiency, and many laws became a dead letter owing to the disinclination of the unpaid magistracy to enforce them. There was a marked contrast between the zeal displayed by the central authority and the lukewarmness of its local agents upon whose shoulders were piled the stacks of statutes. In all ages the execution of laws has lagged behind the good intentions with which they have been framed. The successful functioning of a legal system must depend upon the willing co-operation of the people ; and the monarchy, in spite of an imposing appearance of strength, was powerless to carry out an economic policy which was unacceptable to the middle class. The lesson handed down from the days of antiquity was taught once again—not walls but laws make a city : not laws but their administration make a government.

*Economic
significance
of the
Civil War.*

In this enumeration of the reasons for the failure of the monarchy, we reach the final consideration. Even if the Crown had been supported by a staff of trained administrators, it could not have averted, though it might have modified, the establishment of a capitalist society. For while it was fortified by the prestige of centuries and by the innate loyalty and conservatism of the English people, it was impotent to check the insidious advance of individualism. Alike in industry, commerce and agriculture the foundations of the old order had been sapped by the subtle penetration of the spirit of capitalism. The mediaeval fabric still retained much of its old aspect, but its vitality had been largely drained away until there often remained

little more than an empty shell. However, the struggle between the monarchy and the middle class might have proved more protracted and the issue might have continued longer in suspense but for the outbreak of the Civil War. The revolt against authority in the constitutional and religious spheres swept away the obstacles which had hitherto stifled the protests against authority in the economic sphere. The dissolution of the bonds which held society together had abiding consequences. A violent shock was given to institutions which had regulated the workings of the economic system, and although the process of change had begun, it was immensely accelerated by the decay of the legal sanctions. When a settled government was at length established, it was unable to revive in their fullness the authoritarian traditions which had enabled the monarchy to destroy or penalize enclosures ; to bring pressure to bear on employers ; to require local magistrates to provide work for the poor ; to insist on technical training for artisans ; to assess wages ; to place individuals or corporations in charge of a branch of industry ; and in other ways to superintend the economic life of the community. As the outcome of the Great Rebellion the movement towards *laissez-faire* acquired increasing momentum. In the relaxation of State control lies the economic significance of the Civil War.

After the Restoration, more than a century before the ' Industrial Revolution ' or the publication of *The Wealth of Nations*, the doctrine of economic freedom began to gain an increasing hold over the minds of the governing body. A number of factors were working in this direction. In the first place, the development of capitalism and the stimulus of expanding trade had fostered and brought to maturity the nascent individualism of the middle class: already released from the jurisdiction of the craft guilds, it was grown ripe for the assertion of industrial liberty against the State itself. Even under the Tudors and Early Stuarts the entrepreneurs had displayed an inflexible determination to break loose from restrictions which did not accord with their own interests. To all attempts to put into execution laws which

Doctrine of economic freedom.

kept them in swaddling-clothes and hindered the conduct of their business, they responded by passive resistance. Their opposition to paternal legislation and the repeated but futile admonitions of the Government remind us once again that economic practice cannot be interpreted from the pages of the statute-book ; and it warns us not to date the beginnings of *laissez-faire* in industry from the belated repeal of laws, which in actual fact had always been honoured more in the breach than in the observance. In the second place, the new political system, which now prevailed, favoured economic emancipation since the monarchy could no longer exercise a restraining influence. The collapse of the authoritarian regime proved to be the turning-point in the evolution of capitalism in England. It eliminated the one barrier which obstructed the path of the entrepreneur who was allowed henceforth a freer hand in industry. The constitutional order established at the Restoration and consolidated by the Revolution of 1688 created the framework within which a capitalist society could work out its destiny unhampered by the control which the Crown had endeavoured to enforce. If the constitutional changes were themselves mainly the result of the growth of the middle class, they in turn stimulated its political instincts and commercial progress. Voltaire penetratingly observed that " as trade enriched the citizens in London, so it contributed to their freedom ; and this freedom on the other side extended their commerce " ¹. In the third place, the Civil War proved a powerful dissolvent of traditional ways of thought. The reaction against constituted authority extended inevitably to the economic field, and encouraged a critical attitude towards State interference. The vigorous attack made by a group of Restoration writers upon restraints in internal trade and industry revealed the extent to which a growing body of public opinion had emancipated itself from many of the dogmas enshrined in the outlook of the age. In the fourth place, the trend of the judicial decisions given in courts of law was in favour of industrial freedom, and the judges were particularly potent in circumscribing

¹ Voltaire, *Letters concerning the English Nation* (ed. 1733), 69.

the scope of the Statute of Apprentices and in undermining the legal position of the craft gilds. In the fifth place, the waning power of the Privy Council—whose multifarious activities, mirrored in its records, had pervaded every branch of the national economy—weakened irreparably the existing mechanism of administration. Once the Government ceased to wield its former authority, the structure of which it had been the pivot began to disintegrate, and the economic functions of the local bodies in consequence largely lapsed.

The combined weight of all these factors produced an orientation of policy, which found expression in a definite advance towards *laissez-faire*. Owing to the movement which culminated in the Revolution of 1688, Parliament came directly under the influence of a capitalist regime which had successfully challenged the right of the Crown to limit its power, and proceeded to demand its liberation from the shackles laid upon it by the legislature. Nothing was to be allowed to stand in the path of the entrepreneur: even the case for religious toleration was based on the plea that persecution was a bar to prosperity in view of the prominence of the Dissenters in the business world. Henceforth Parliament concentrated its energies upon commercial policy, which was now systematically designed to protect the interests of the producer and ensure him the undisputed possession of the home market: it grew less concerned to control industry, regulate labour conditions, and promote social stability. In accordance with the change of attitude, the old industrial code was allowed gradually to fall into desuetude. The whole economic outlook of the eighteenth century was permeated by an encroaching individualism which insisted upon unfettered freedom of action, and imposed upon the Government the course that it must pursue. Owing to this reversal of roles, the State renounced the right to dictate to entrepreneurs the terms on which they should employ their workfolk, and exhibited an increasing disposition to tolerate their claims to make their own contract regarding the rates of remuneration, the length of service, the quality and supply of labour, and the nature

*Attitude of
Parliament.*

of the products. Parliament pronounced the maxim in 1702 which was to mould its policy throughout the century—"Trade ought to be free and not restrained". Fifty years later a parliamentary committee was appointed to inquire into 'the laws relating to trade and manufactures'. Its report, which constitutes a landmark in the progress of economic thought, showed how drastic was the alteration of sentiment towards the enactments of a by-gone age, "perhaps well calculated for the times in which they were made, yet now become prejudicial to Trade in its present state". In the traditional spirit of English institutional development piecemeal legislation, combined with the process of natural decay, sapped the foundations of the old order. Once the State abdicated its authority the relations of capital and labour entered on a fresh stage and ceased to be subject to the rule of law. Instead of the general conditions of employment being controlled by a superior power, they were determined according to the respective strength of the opposing sides.

Wages.

We may consider, first, the position as it affected wages. The reign of Charles II. has been regarded as 'the posterior limit' of the system of wage regulation: actually it survived the transformation of the political scene as numerous assessments abundantly testify. Yet in the main it was kept alive not by official pressure but by its own inherent vitality born of custom and usage. In one form or another the institution went back three hundred years, and so we should not expect a sudden cessation but rather a gradual lapse—with the result that in the eighteenth century there was local and intermittent action on the part of the magistrates, but wage assessment was not in national operation as a regular function of the economic organism though it did not die out completely. In the case of unemployment the effect produced by the new outlook on industrial problems was more immediate. The Civil War brought to an end the practice by which employers were required by the State to keep their men at work in times of depression. Their right to expand or contract their business freely in response to the market for their goods was no longer questioned. The attempt to

Unemployment.

secure continuity of employment was relinquished : instead the machinery of the poor law was utilized to relieve the distress created by unemployment. The fact that the workers had no safeguard against dismissal threw them upon their own resources. They were forced to shoulder responsibilities which had hitherto been the province of the State, and to rely upon their own efforts for the maintenance of their standard of life. It is therefore significant that the change in public policy was shortly followed by the rapid growth of trade unions, which sprang into prominence as soon as the State relaxed its control over economic life. In another direction we observe how the Civil War loosened social ties and weakened the respect for economic usages. During many centuries the institution of apprenticeship was the basis of organized industrial society. Although nominally it remained obligatory, a process of disintegration set in owing to a marked disinclination to administer the system. Parliament steadfastly refused to lend its support to the old Elizabethan code, and apprenticeship was deprived of its legal guarantees. While the system of technical training held its ground successfully in normal times, its survival was a matter of custom rather than compulsion. An increasing volume of public opinion, responding to the needs of an expanding trade, advocated the removal of restraints, many of which were now clearly antiquated. Sir Josiah Child, one of the leaders of the business world in the seventeenth century, announced the gospel of economic freedom. "To improve and advance trade [we must] begin the right way, casting off some of our old mistaken principles in trade, which we inherit from our ancestors". Among the 'common errors' of the day he included the notions that "none shall use any manual occupation except he has been apprentice to the same", and that "to suffer artificers to have as many apprentices as they will is to destroy trade". And finally the national regulation of industry, which was designed to standardize the production of staple wares, fell into disfavour. The revolt against industrial legislation was due primarily to the irksome restrictions which it imposed on the entrepreneurs, but it was seconded by other causes.

*Technical
training.*

*Standard-
ization of
industry.*

One was its complexity. The Government itself confessed (1622) that manufacturers were 'perplexed and entangled' by the multitude and contradictions of the laws in force. Another was the abuses in its administration. Acts of Parliament became discredited when they were turned into vehicles for extortion and the inspection of commodities degenerated into a tax on commodities, or when their purpose was perverted by bringing indictments against those who "excelled in their own trades by force of their own genius and not against such as have been ignorant in their professions". A third was the growing belief in the futility of legislative action in economic affairs. The conviction that State interference seldom proved other than prejudicial was expressed by Sir Dudley North. "Thus we may labour to hedge in the cuckoo but in vain, for no people ever yet grew rich by policies; but it is peace, industry and freedom that brings trade and wealth, and nothing else". Voices were still heard demanding the execution of 'the good old laws': none the less economists were beginning to proclaim the doctrine that "industry has its first foundation in liberty". By the end of the seventeenth century there was almost a complete relaxation of industrial restraints. It was said that "as the worthy makers of those good laws are now asleep, so are their laws too"; and Davenant drily remarked that "nowadays laws are not much observed which do not in a manner execute themselves".

*The policy
of oppor-
tunism.*

While in the eighteenth century the State moved steadily in the direction of *laissez-faire*, it was not ready to cast to the winds all the cherished traditions which had inspired the legislation of an earlier epoch; to thrust aside all the customary safeguards; and to rely upon the competitive instinct to achieve the economic harmonies of a balanced system of production, distribution and exchange. Its action was not guided by any conscious theory of non-intervention but was largely opportunist. After the machinery for wage assessment was expressly discarded in the premier industry of the country—the woollen manufacture—in 1757, it was revived on behalf of the tailors in 1768, 'coal-heavers' in 1770, silk weavers in 1773, and the payment of truck wages also

remained under the legislative ban. The right to fix the prices of bread and coal persisted and was reaffirmed in a number of statutes, although laws against forestalling, regrating and engrossing were allowed to lapse. Moreover the legislature still continued to interest itself in ensuring sound manufactures. But, if the principles of *laissez-faire* were not yet openly adopted as the authoritative basis of State action, the trend of parliamentary thought was unmistakable: for good or evil the current had set towards Free Enterprise and Freedom of Contract. Even the Combination Laws enacted against trade unionism were inspired by the conviction that in constraining the liberty of masters and men they infringed the doctrine of freedom of trade. And the 'Bubble Act' of 1720, originally devised as a brake on joint-stock enterprise, operated in practice to enlarge the field for experiments in business organization.

The waning control of the State had its counterpart in the fate which overtook the craft guilds. For hundreds of years the latter had enshrined the maxim that industry should be regulated by corporate bodies, and that no one should pursue a skilled occupation who was not a member of one of these bodies. When, however, the entrepreneur emerged as the outstanding figure in the industrial life of the community, the craft guilds began to be considered an anachronism. They did not surrender without a long struggle their claim to govern industry and to determine the conditions under which it should be carried on, but their growing consciousness that the tide was flowing against them sapped their powers of resistance. Hence their survival or decline came to depend on the tenacity of the vested interests by which they were supported and on the strength of the progressive forces by which they were assailed. In harmony with the individualistic spirit of the age, the guilds were now denounced as obstacles to the growth of trade. Their diminishing prestige is reflected in a noteworthy remark contained in a judicial report made to the Privy Council as early as 1620: "We are of opinion in the general that these under-corporations in towns and inferior cities are seldom of good use, but do rather disturb the general government

Decline of the craft guilds.

of such places " ¹. A Restoration writer lamented that " most of our ancient corporations and gilds [are] become oppressive oligarchies " : they exacted arbitrary fines of admission, so that " beginners in manufacture " with small capital could not obtain entry into the privileged circle, and without it they were " plagued with by-laws, penalties, distresses and seizures ". The corroding influence of capitalism upon the old industrial order was thus reinforced by the belief that the craft gilds hampered economic development through their efforts to exclude non-members from setting up in trade or working at a skilled profession, and through ' vexatious indictments ' against those who engaged in a mystery to which they had not served an apprenticeship. Other factors helped to make the decline of the craft gilds inevitable. One was the failure, in general, to bring rural industries within their orbit or to extend their authority to the outlying suburbs. This proved a fatal handicap to the corporate boroughs in which the craft gilds were entrenched. Another was the rise of towns like Birmingham, Manchester, Leeds and Halifax, which were not wedded to ' ancient customs, franchises and liberties ', and where in consequence " the most useful and beneficial manufactures are principally carried on and trade [is] most flourishing ". A third was that the craft gilds, more especially in London, ceased to represent their titular occupations since the members were often drawn from a variety of trades : it therefore became difficult for them to exercise effective power even within their sphere of jurisdiction. A fourth was that groups of trading capitalists sometimes exploited the gild organization to fulfil their own ends. Already in the later Middle Ages the control of the craft gilds had begun to pass to the richer members who endeavoured to gather into their hands the trading functions. The critical and usually hostile attention of the public came to be focussed in particular upon the coal industry, where the Hostmen in Newcastle and the Woodmongers and Lightermen in London were associated in companies which were virtually combines and ' rings ' designed to confine the

¹ *Acts of the Privy Council, 1619-1621*, p. 147.

trade to a coterie of leading merchants. Thus they set at defiance two fundamental principles of the gild economy, equality of opportunity for traders and care for the interests of consumers.

Nevertheless it is significant that the legislature did not venture to destroy the historic gild communities: the corporate tradition was too deeply-rooted in the national consciousness of the English people to allow of a frontal attack. Instead, the craft gilds underwent a slow process of decay in which their life-blood was drained away in an atmosphere that was alien to their fundamental concepts. Their later history is necessarily confused, for every craft gild has its own history, and it is not easy to piece together innumerable fragments so as to present a coherent and intelligible picture. The conflicting nature of the evidence makes generalizations as to 'the end of the craft gilds' extremely hazardous. The authority of some crafts lapsed at an early period, but in other cases it survived almost to the nineteenth century. One thing, however, may be said. While no general Act of Parliament down to 1835 abolished their privileges, and restraints on trade, real or nominal, still persisted in many places, the craft gilds found it increasingly difficult to enforce a strict observance. The ambiguity of their legal position enabled the judges to apply to their proceedings the principles of common law in favour of the liberty of the subject. Although there were varying currents of legal opinion, the law courts in the main ranged themselves on the side of industrial freedom; and the notable part which they played in fostering individualism may be fairly compared with their championship of political freedom. Magna Carta, once the buttress of feudal privileges, was re-interpreted in the spirit of the age. In his famous commentary Coke wrote: "Generally all monopolies concerning trade and traffic are against this Great Charter, because they are against the liberty and freedom of the subject and against the law of the land" ¹.

The attitude of the common law towards restraints on trade, other than those expressly sanctioned by statute law,

¹ Coke, *The Second Part of the Institutes* (ed. 1642), 47, 63.

*Judicial
decisions.*

was clearly defined in the opinion laid down by Chief Justice Parker in 1711¹. He declared that involuntary restraints—that is, restraints imposed without a man's consent—fall into three categories. First: grants or charters from the Crown, which are only valid for the sole use of a new invented art and for a duration of fourteen years. Second: by-laws, which are distinguished according to their purpose—those to exclude 'foreigners'² are valid so long as there is a precedent custom; those to restrain trade for 'the better government and regulation of it' are good if they are for the benefit of the place and to avoid public inconveniences, or for the advantage of the trade and improvement of the commodity; those to cramp trade in general are void. Third: custom which "is *lex loci*, and foreigners have no pretence of right in a particular society exempt from the laws of that society"—that is, non-citizens could not lay claim to be immune from custom. This implied that only the binding force of immemorial custom (the unwritten law of the locality) was unreservedly recognized by common law (the unwritten law of the land). The other two categories of involuntary restraints—created by royal grants and charters and by-laws—were generally void, with the exceptions already mentioned; and the reason assigned "is drawn from the encouragement which the law gives to trade and honest industry, and that they are contrary to the liberty of the subject". The practical effect of judicial decisions of a similar tenor was that the craft gilds were left in a general uncertainty as to their real powers. Long before the Municipal Corporations Act (1835) authorized "every person in any borough" to "use every lawful trade and handicraft", the freedom which it conferred as a legal right had actually been in practice largely attained. The weight of judicial decisions also evinced openly the desire of the law courts to give the utmost latitude to the interpretation of the Statute of Apprentices, in order to diminish as much as possible the scope of a law which was looked upon by the

¹ *Mitchell v. Reynolds*, 11 Anne: *Reports of Cases in Chancery* (ed. Williams, 1826), 181-187; *The English Reports*, lxxxviii, 660.

² For the term "foreigner", see *supra*, vol. i. 265, note 2.

judges as "inconvenient to trade and to the increase of inventions". We may sum up by saying that as a rule the common law favoured the removal of restraints on economic enterprise. It still continued to pay nominal respect to the age-old principle of industrial regulation, and did not mingle privileges and monopolies in a sweeping condemnation as 'unreasonable and unwarrantable'. It was prepared to bestow its approval and protection on patents and gild by-laws provided they were intended to promote the 'well-ordering of trade'¹. None the less it tended to disallow any extension of restrictive practices to the new conditions which were developing on every side. As a consequence the main current of economic life swept by the traditional framework of mediaeval society, unimpeded in its onward movement by any serious legal obstacles.

The foregoing account will have served to show that there are no adequate grounds for assuming that Adam Smith converted England to the doctrine of industrial freedom any more than that he converted England to the doctrine of the free exchange of goods. A shallow presentation of the facts might bring into relation with each other the two salient considerations that *The Wealth of Nations* was published in 1776, and that within a generation the great Elizabethan code embodied in the Statute of Apprentices had been expunged from the statute-book—leaving employers freed from all legal restrictions as to the kind of labour they must employ or the rates of wages they must pay. *Post hoc ; ergo propter hoc*. A deeper analysis reveals a more composite picture than is suggested by this simple synthesis. The movement towards *laissez-faire* has a long history behind it. Even in the days when government control of industry was most active, it is difficult to determine the extent to which the manufacturing class submitted to it. In the absence of a civil service and an adequate system of inspection, it is certain that much of the industrial legislation was virtually a dead letter. The regulation of wages by the magistrates

*Influence
of Adam
Smith.*

¹ *Infra*, vol. iii. 281 (and note 7), 365. The judges opposed free trade in corn (*infra*, p. 432, note 3). Their hostility to trade unionism (*infra*, vol. iii. 397, 402) was based on their dislike of interference with freedom of contract.

degenerated into a routine which rapidly produced a distinction between the legal rates sanctioned by authority and the market rates paid by employers. The institution of apprenticeship was undermined by the efforts of the law courts to weaken the restraints which it imposed on individual enterprise ; and in practice it was effective in those circumstances alone where it remains effective in our day, namely, when enforced by the custom of the trade. The famous Assize of Cloth, which fixed the dimensions of cloth, proved unworkable. It was found impossible to prevent the use of tenter-frames for stretching cloth and of gig mills for dressing cloth. Hence it is to the seventeenth century and not to the ' Industrial Revolution ' nor to *The Wealth of Nations*, that we must look for the trend towards *laissez-faire* in industry and the explanation of its triumph. Adam Smith only gave articulate expression to ideas in whose direction the leaders of industry had long been feeling their way. The repeal of the labour code in 1809 (in the woollen industry) and in 1813-14 (in other industries) was due to the activities of informers and attorneys, who ' rummaged out ' obsolete laws in the vain hope to stem the advance of the factory system¹. Its importance, therefore, should not be exaggerated as though it indicated that the legislature had suddenly surrendered itself to the influence of the classical economists. The relaxation of industrial restraints was already an accomplished fact, upon which Parliament now placed the formal seal of legislative approval. In reality it was the new situation created by the introduction of machinery and the growth of the factory system, which was responsible in the nineteenth century for an epoch-making departure in the approach to economic problems, when the drift towards *laissez-faire* was arrested and the control of the State over the productive agencies was once more reasserted. The wheel has thus come full circle. With an infinitely superior equipment, and a more conscious sense of purpose, England is returning to an older tradition—the regulation of economic life in the spirit of social harmony and justice.

¹ Lipson, *The History of the Woollen and Worsted Industries*, 212.

(vi)

Our description of English industry in the Age of Mer- *The 'Industrial Revolution'.*
cantilism points to the conclusion that in the seventeenth and eighteenth centuries the entrepreneur was recognized as the mainspring of the economic mechanism, and that belief in freedom of enterprise had crystallized into a dogma. The historical significance of these developments lies in the fact that they completely destroy the general notion that the inventions of the late eighteenth century involved an abrupt revolution in the tenor and rhythm of the national life. There is a natural temptation to dramatize great events: we picture them as thunderbolts emerging out of a clear blue sky which in an instant convulse human society: our minds are impressed by their apparent unexpectedness. Yet to the historian this attitude is profoundly untrue to historical realities. Where the popular imagination visualizes a swift transformation of the social or political landscape, the historian is conscious of a process of gradual change in which the old is blended almost imperceptibly with the new. Hence to view the 'Industrial Revolution' in its proper perspective we must first discard the current clichés, which embody the traditional account of the inventions and serve to distort their real meaning.

The events which are designated as the 'Industrial Revolution' constituted no sudden breach with the existing order but were part of a continuous movement which had already achieved marked advance. *A continuous movement.* The famous inventions associated with the names of Arkwright, Watt, Stephenson and many others, were the climax of a long series of experiments, extending over two centuries, in which progress appeared infinitely slow because the initial stages are necessarily the slowest and most arduous. The idea of an invention may be grasped but decades may elapse before it can be made to work. Another impediment which discouraged inventive talent was the hostility displayed by the workers to labour-saving devices. Their aversion sprang from an inherited dislike of innovations, coupled with the fear that they would lose their means of livelihood. From

the thirteenth century the introduction of machinery was a fruitful source of dissension, and the Government frowned upon the 'abridgement' of labour in order to avoid social unrest. To disarm the popular opposition the apologists of machinery were learning to use the familiar argument that cheapness stimulates the demand for commodities, which in turn stimulates the demand for labour. Mainly owing to these causes, success in vital things eluded the grasp of the seventeenth century; but without the barren enterprises in which experience was painfully and dearly bought, the discoveries of a later age would have been impossible. The eager search for technical improvements—reflected in an astonishing list of industrial patents—led Miege (1691) to claim that "no nation has been more industrious than the English in mechanic arts, and the world to this day is obliged to them for many of their useful inventions and discoveries"¹. And Cary (1695) depicted a community in which "new projections are every day set on foot". It was as a result of the persistent efforts of innumerable pioneers that a generation before the accession of George III.—the customary date assigned to the commencement of the 'Industrial Revolution'—there had already dawned the 'new world of experiments' which had been confidently predicted in the previous century. In industry the new order was foreshadowed in a galaxy of great technical achievements—the steam engine to drain water from the coal mines, the fly shuttle in weaving, spinning by rollers, the carding machine for preparing wool, the smelting of iron ore with coke, and the production of steel by the crucible process. It is not surprising, then, to find this picture of the industrial state of England in the middle of the eighteenth century drawn by Dean Tucker: "Few countries are equal, perhaps none excel the English in the numbers and contrivance of their machines to abridge labour. The English are uncommonly dexterous in their contrivance of the mechanic powers". In agriculture, as we have seen, the ground was similarly prepared for the im-

¹ Miege, *The New State of England* (1691), part ii. 11-12. For the evidence of Cary and Tucker, see *infra*, vol. iii. 53-55.

portant changes known as the 'Agrarian Revolution'. Thus in spite of the obstacles which retarded progress in the invention of machinery—imperfect technical knowledge and the antagonism of labour—economic society in the Age of Mercantilism did not remain stagnant. It was continually evolving, and the stage was being set for the coming of the Factory Age with its concomitants of power-driven machinery, mass production and the assemblage of workers under one roof.

The question has often been asked why the 'Industrial Revolution' came first to England. The explanation is commonly found in the growth of her oversea trade with a far-flung commercial empire in America, India and Africa, which together with the Continent of Europe furnished markets for her manufactures. Admittedly the existence of markets abroad provided an incentive for the adoption of inventions. However it is only a part of the explanation, since France also made notable commercial strides in the eighteenth century but was outstripped in the race for industrial supremacy. Nor would it be correct to infer that the French people were lacking in inventive talent: on the contrary, at one period they led the way in many of the industrial arts. We must take other essential factors into account. In the first place, prior to the inventions English industry, commerce and banking were organized on lines which served to make a large outlay on machinery and buildings a practicable as well as a profitable venture. Manufacturers were enabled to utilize the inventions because England had accumulated sufficient capital for investment in productive enterprises. In the second place, there existed a class of entrepreneurs equipped with the requisite technical qualities and organizing abilities, accustomed to latitude in the conduct of their business, and infused with the spirit of enterprise to which Dean Tucker bore testimony when he declared (1757) that "almost every master manufacturer hath a new invention of his own, and is daily improving on those of others". In the third place, the growth of population in the hundred years following the Restoration failed to keep pace with the expansion of trade and industry: in the

*Why the
'Industrial
Revolution'
came
first to
England.*

eighteenth century it was but one-third of that in France. The shortage of hands in the textile manufactures, combined with the comparatively high standard of wages, furnished English producers with an inducement to avail themselves of mechanical methods which would economize in the use of labour—a similar motive was not present in the same degree on the Continent. They had further incentives for the introduction of machinery in the shortcomings of the old hand-yarn products since manual spinning had many defects, and in the rise of trade unionism which strengthened the hope of liberating employers from their dependence upon labour. In the fourth place, the home market catered for a population among whom property was widely diffused, and whose standard of comfort was substantial without being luxurious. Side by side with a widespread middle class which consisted of manufacturers, traders and farmers, there ranged the better-paid sections of artisans and peasants. Voltaire on his visit to our country in the early eighteenth century was struck by the fact that “ the feet of the peasants are not bruised by wooden shoes ; they eat white bread, are well-clothed ” ¹ ; and he could have added that they were learning to drink tea. Hume, who considered that “ a too great disproportion [of wealth] among the citizens weakens any State ”, drew attention to “ the great advantage of England above any nation ” in this respect, and he spoke of the ‘ riches ’ of her artisans ². Unlike France, the fabric of English society was composed of numerous layers which bridged the gulf between rich and poor, and made it relatively easy to move up in the social scale into a higher grade. A writer in 1767 remarked that “ in England the several ranks of men slide into each other almost imperceptibly ; and a spirit of equality runs through every part of the constitution. Hence arises a strong emulation in all the several stations and conditions to vie with each other ; and a perpetual restless ambition in each of the inferior ranks to raise themselves to the level of those immediately above them. In such a state as this fashion must have an uncontrolled sway.

¹ Voltaire, *Letters concerning the English Nation* (ed. 1733), 68.

² Hume, *Essays* (ed. Green & Grose), i. 296–297.

And a fashionable luxury must spread through it like a contagion", since "our luxury keeps full pace with our opulence"¹. This eighteenth-century picture of a fluid and progressive society throws a strong reflected light upon the conditions which were current in earlier times. The ability to rise from lowly beginnings is shown by the careers of two seventeenth-century entrepreneurs—Ambrose Crowley the greatest ironmaster of the Stuart Age, who started life as a working blacksmith, and Peter Blundell one of its greatest clothiers, who also sprang from the ranks. The strength of the movement to overcome class barriers is attested by the complaints that servants aped their superiors in luxury in dress, which put "all degrees and orders of woman-kind into disorder and confusion", while the master could not be known from his man except that the latter "wears better clothes". No doubt the lower strata of the working class in the eighteenth century merely laboured sufficiently to maintain a traditional way of life: it was generally held that they were content to earn the bare necessities of existence. This presupposes a static community in which the masses had not yet acquired a taste for luxuries, and therefore lacked the stimulus to exert themselves for the satisfaction of new wants; but the generalization in any event does not apply universally. The more even distribution of wealth in England, as compared with the Continent, reacted upon the sphere of production. The nature of the market determines the nature of the productive processes, and the prevailing demand of the English people was for commodities which were sound and useful rather than flimsy and artistic. Such commodities could be manufactured by machinery without the loss of their essential qualities. Not only did the character of English wares lend itself to *machine* production, but the flexible trend of national consumption was responsive to *mass* production in a country where the population was expanding, wages were increasing, and wants were elastic. The history of the United States of America demonstrates how a rapidly-growing nation with a

¹ *An Enquiry into the Causes of the Present High Price of Provisions* (1767), part i. 41.

rising standard of life affords encouragement for the introduction of new industrial methods. In the fifth place, the early exploitation of the coal measures stimulated the expansion of industry since it served as the fuel of numerous manufactures and as the motive power of machinery. In the sixth place, all the varied influences enumerated above¹, which contributed to England's economic growth, played their part in paving the way for the achievements of the Factory Age. To sum up—the 'Industrial Revolution' came first to England because she had expanding markets at home as well as abroad for her wares; because the nature of these wares made them suitable for mechanical production; because the shortage, frequent inefficiency, relatively high price and organized power of labour made it desirable and profitable to expend capital on plant and buildings; because the necessary resources were available for investment; because there existed men of enterprise with the energy to exploit novel methods; because it lay in the logic of centuries of development as moulded by a variety of contributory influences.

*Revisions
of History.*

There are many aspects of the 'Industrial Revolution' concerning which scholarly opinion is moving in another direction. For one thing, the expression is apt to convey an erroneous idea of the rapidity with which the industrial changes proceeded. It is now recognized that technical and other difficulties made the adoption of machinery and the extension of the factory system a much slower movement than was formerly supposed: even in Yorkshire only half the workers in the woollen industry were engaged in the factories as late as 1856². This naturally raises the question whether the term 'revolution' can be appropriately used when it is applied, not to violent political changes, but to an economic process for which the ground had been long prepared, and which in its actual operation was more evolutionary than catastrophic. For another thing, the evils attributed to the inventions were not wholly due to the introduction of machinery. They were caused in part

¹ *Supra*, pp. xcvi.-xcvii.

² Lipson, *The History of the Woollen and Worsted Industries*, 176.

by the circumstances of the period. The inevitable evils of the transition were aggravated by a succession of wars which involved serious dislocation of markets, monetary inflation, and an unparalleled growth of the national debt coupled with a fantastical fiscal system—and which also induced the conviction that in the life-and-death struggle with France the production of wealth must over-ride all humanitarian considerations. But here we are concerned alone to urge that the study of the 'Industrial Revolution' must be carried back far beyond the decades with which it is traditionally associated. Just as Palgrave and his successors enlarged the scope of the study of English history by showing that the institutions of Norman England must be traced beyond the Norman Conquest, so the historian of the 'Industrial Revolution' must treat its phenomena in relation to the trend of development in earlier centuries. In no other way is it possible to avoid a one-sided view of the inventions and of the nature of the economic and social changes which they helped to promote. Certainly, any history of the 'Industrial Revolution' which does not take due account of the facts that in England the industrial regime was already largely capitalist in character, and that the 'inventions' were the creation, not the creators, of a capitalist society—or which teaches that the English artisan was transformed by the introduction of machinery from an independent producer into a wage-earner—can only yield a fresh lease of life to an historical myth.

It must be added that the interpretation of the 'Industrial Revolution' which we have put forward does not imply any desire to minimize the epoch-making status of the features comprehended in the term. Among the great events that have shaped the destiny of mankind, a distinctive place will always be assigned to the series of inventions which have subjected the forces of nature to the service of mankind, and substituted for human energy the machine working under human guidance. The stimulus given to the productive agencies by the application of motive power to industry and transport is a commonplace; and the increased command which man has acquired over the resources of nature merits

Interpretation of the 'Industrial Revolution'.

the stress which is rightly laid upon it. The effects are writ large over the whole face of modern society. They shifted the centre of gravity from agriculture to industry: they made the factory system the predominant form of industrial organization: they enlarged the unit of production: they provided the means for the employment and maintenance of a much vaster population: they promoted the rapid growth of a class-conscious proletariat with its attendant fruits both social and political. These are effects whose importance no one will be tempted to belittle—but neither ought we to be tempted to magnify and distort their meaning by a false perspective which under-estimates the degree of economic development attained prior to the inventions. We must not let our minds be dazzled by the glamour of statistics. The true gauge of economic progress lies less in the scale of operations than in the fundamental adjustments which man makes in his efforts to satisfy his wants. From this standpoint the rise of individualism, and the far-reaching consequences which flowed from it, have a momentous significance. For they show that the 'Industrial Revolution' was not a watershed, nor was it the genesis of a new industrial society composed of capitalist employers and proletarian wage-earners. We may conclude as we began—in economic evolution there is no breach of continuity but an unceasing movement of progress and change: *ῥεῖ τὰ πάντα.*

(vii)

'Poverty'. We have viewed the Age of Mercantilism as an Age of Enterprise: we must now look at the reverse side of the medal. Economic progress is often achieved at the expense of social welfare. As the old order yields place to the new the instability of society throws to the surface all that is most evil in its constitution. A harsh destiny overtakes those who are unable to adapt themselves with ease and rapidity to the changing condition of things: the race is to the swift and the strong. This was vividly demonstrated during the early decades of the nineteenth century when economic necessities were allowed to become the parent of

social injustices. The minds of many English thinkers were in the grip of the dismal philosophy of the day, which found economic salvation in the rigid dogmas of *laissez-faire* and made the misfortunes of the poor a subject for cold scientific analysis. It grew into a fashion to condemn the English poor law system as a source of demoralization and an encouragement to idleness in inducing the poor to believe that—however improvident and indolent they might be—the parish was “bound to find” them. Our present standpoint exhibits an instructive and vital difference. We are more disposed to recognize that the bewildering mass of social phenomena, which we group under the comprehensive term of ‘poverty’, is of a complex character; and we no longer consider it a fair assumption that poverty is always the fault of the poor. The latter may be the victims of the imperfect mechanism of the industrial apparatus, or they may be the victims whose wrecked careers strew the path of human progress. Mercantilist statesmanship did not, of course, visualize the social problem in this light, that is, as part of a larger problem of economic maladjustments. That there existed an intractable core of pauperism was self-evident: that it was the business of the community to do something was axiomatic. All the criticisms which we encounter relate not to sins of commission but to sins of omission. Complaint is uttered less about the things which are done than about the things which are left undone. It is in obvious contrast with the attitude adopted in the nineteenth century and in some quarters even to-day, when the criticism is frequently heard that the State attempts too much rather than that it attempts too little. Doubtless, as a result, remedies were applied which at their best were palliatives and at their worst kept the disease festering in the social organism. Yet even nowadays Governments are sometimes driven by the stress of circumstances to pursue a policy on which the theorist pours scorn. A striking proverb says: “A drowning man clings to a serpent”. Governments, like drowning men, cannot always make an ideal choice. Nevertheless, in times of distress the practice of letting things take their own course is not necessarily

sound or expedient. The arm-chair critic is apt to overlook the psychological effects of official action in reassuring popular sentiment, in restoring the general *morale*, and in dissipating the waves of depression which paralyse the national energies. We cannot do justice to the policy of a past age if we approach it from a doctrinaire standpoint and ignore the limitations within which the rulers of the State must work—the historic framework of society, the movement of public opinion, and the pressure of current events.

*The social
problem.*

The Early Mercantilist State is seen in its most attractive aspect in the treatment of the social problem. A variety of motives lay behind the zeal which was displayed in the work of amelioration. The common explanation is that the monarchy dreaded a popular explosion, that it watched carefully every manifestation of unrest in order to check incipient agitation which might flare up into armed insurrection. No doubt the desire to preserve public order was a potent factor: nor can modern Governments afford to ignore the possibility of an upheaval arising from economic distress. At the same time there was not wanting a genuine sympathy with those who were being adversely affected by the manifold changes. First: England was now definitely committed to a capitalist system of industry with its unsettling impact upon security of employment. Secondly: the conversion of arable land into pasture flung upon the countryside those who had hitherto been safely anchored to the plough. Thirdly: the price revolution pressed with peculiar hardship upon that section of the community whose income was most inelastic. Fourthly: England often suffered in earlier ages from famine, and corn prices easily soared to panic heights in time of dearth. These various factors were responsible for a marked increase of destitution; and in the face of an advancing tide of pauperism, combined with the break-down of religious and voluntary agencies, no Government could hold itself aloof from the social problem.

*Poor
Relief.*

The creation of a national system of poor relief was the work of the sixteenth century. It was based upon the legal responsibility of the local authorities to provide relief for the indigent poor out of a local fund raised by compulsory

taxation. The main principles were laid down in a series of enactments extending over many decades ; and the different strands of poor law legislation were woven into a single texture in the Act of 1598, a temporary measure continued with slight modifications in the famous Act of 1601 which introduced no new principle but was a consolidating Act. These legislative measures for the relief of destitution were supplemented by administrative measures for the prevention of destitution. The problem of the poor involved, in fact, two distinct categories—the paupers or permanent poor included the aged, the impotent and the vagrant ; the temporary victims of misfortune comprised those who were deprived of their earnings by unemployment or found that their earnings had diminished in value owing to a rise in the cost of living. The steps taken by the public authorities to cope with trade depressions and to keep down prices served to mitigate their injurious effects upon the standard of life of the masses. In this legal framework the Early Stuarts made no vital change. The trend of their policy in its energetic years was to ensure that the principles enshrined in the statute-book were carried into operation. Their specific contribution was to devise more effective machinery. The reign of Charles I. witnessed a strenuous attempt to instil greater vigour into the administration of poor relief. The intervention of the Privy Council had formerly been spasmodic and intermittent. Now its interference became part of the normal routine. The reformers, at the head of whom were Strafford and Laud, had determined that it was “ time for councillors to care for those things that concern government in these loose and dear times. There want no laws to reform all things but good executioners of laws ”. Following Elizabethan precedents, they were particularly concerned to handle the situation created by bread famines and fluctuations in the general level of prices.

The Civil War was responsible for a fresh orientation of policy. It shattered the machinery of control. After the Restoration each parish was left to go its own way ; and national uniformity, the ideal of the monarchy, disappeared

*Work for
the unem-
ployed.*

in a welter of parochialism. The justices still retained their statutory functions but were no longer subjected to the strict supervision of the central executive, and in turn they relaxed their own surveillance over the parochial officials. As a result the overseers, the actual administrators of poor relief, became the pivot of the poor law system. Thus the Great Rebellion, in destroying the power of the Privy Council, established the independence of the parish. And it had another important outcome: it led to the abandonment of the practice under which the public authorities provided work for the unemployed. Hitherto they had assumed obligations not only for the aged, the impotent and the vagrant, but also (and this was the unique feature) for the industrious poor who were unable to obtain work. The fruits which were born of these developments constitute the history of poor relief for close on two centuries. The consequence of parish independence was the increased restraints placed on the mobility of labour through the operation of the Law of Settlement, which embodied in a statute the traditional right of the parish to expel all new-comers likely to become chargeable. The consequence of the failure to create employment for the able-bodied was the institution of the modern workhouse. The parishes, thrown upon their own devices, allowed one half of the poor law to fall into neglect; and it was the half which, in the opinion of contemporaries, was the more important. A growing volume of criticism voiced the belief that the payment of money to the able-bodied was an incentive to idleness. The argument was one which is often repeated in our own day: "If instead of giving [the poor] weekly allowances for maintaining them in their idleness, the money collected were employed to set all of them, that are able, at work to some kind of employment or other suitable to their capacities, it would be of infinite use and advantage to the nation". In the second part of the seventeenth century, and indeed thenceforward down to the present day, we have the perpetually recurring demand that work, and not doles, should be found for the poor. Yet the overseers showed marked reluctance to set the poor on work. The explanation, of course, may simply

be that they disliked the trouble which it involved ; but they had probably come to the conclusion that this method of relief was more costly than a small weekly pension. Moreover, some of the early economists were apprehensive lest schemes for assisting the unemployed might throw others out of employment. Thus the problem of finding work for the unemployed, without detriment to the national economy as a whole, is one which has been the subject of numerous experiments and incessant discussions. The neglect of the overseers led England eventually to embark upon one of the most debated and least happy features of her social policy—the institution of the workhouse. The workhouse became the Mecca of poor-law reformers, who promised themselves that the assemblage of the poor within its walls, without distinction of age or sex, would be an effectual method of relieving the aged and impotent, employing the able and industrious, reforming the idle and profligate, and educating the young in religion and industry. The optimistic prediction failed to materialize ; and the Age of Mercantilism bequeathed to posterity a problem which still awaits solution—to reconcile the conflicting claims of economic progress and social welfare.

ECONOMIC HISTORY

CHAPTER I

INDUSTRY

IN the evolution of industrial organization we may distinguish four stages: the 'household', the 'gild', the 'domestic', and the 'factory'¹. A precise definition of these terms would convey an artificial conception of the economic system, but the broad differences can be indicated provided it is remembered that in economic development there are no water-tight compartments nor clear-cut lines of demarcation. In the household, or non-commercial, stage the purpose of production was to serve the needs of the household, and not to supply a market^{1a}. In the gild stage the artisan was an independent producer who owned both the raw material and the instruments on which he worked: he sold not his labour, but the fruits of his labour. Thus in the woollen industry we find spinners who bought wool and sold yarn, and weavers who bought yarn and sold cloth; while even fullers and cloth-finishers and dyers sometimes worked on their own cloth, though more often—in view of the nature of the processes involved—they worked for customers on commission². In the domestic stage the material was owned, not by the artisans them-

Stages of industrial organization.

¹ This terminology is unsatisfactory, since any one of the first three stages could be denominated 'household' or 'domestic', in the sense that the work was done at home. I have thought it best, however, to adhere to terms which have gained wide currency, though my interpretation of them is different from that adopted by W. Marshall and W. Cunningham. See *infra*, Appendix, p. 465, No. 1.

^{1a} See *infra*, Appendix, p. 468, No. 1.

² Spinners: *Norwich Records* (ed. Tingey), ii. 119, 181; *State Papers Domestic*, 1633-1634, p. 249. Weavers: *supra*, vol. i. 483-484; Westcote,

selves, but by a class of employers who united all the different branches of the industry under a single control. Confined to the purely manual functions, and dependent on an employer for the provision of materials, the artisan was transformed into a wage-earner paid by the piece, although the work was still carried on at home as under the gild system. Lastly, in the factory stage the workers own neither the material as under the gild system, nor the instruments of production as under the domestic system; and they are assembled under an employer's roof, subjected to the discipline of the factory, and restricted to the service of one master.

*Survivals
of the
household
and gild
systems.*

The gild system was most widely prevalent in the Middle Ages, the domestic system in the sixteenth, seventeenth and eighteenth centuries, and the factory system in the nineteenth century: but all stages of industrial organization overlap. Traces of the household system persisted to the nineteenth century. Eden, writing in 1797, states that in the North of England almost every article of dress, except shoes and hats, was manufactured at home¹. Home-made woollens were 'huswives' cloth', and in 1622 the clothiers demanded that "huswives may not make cloth to sell again, but [only] for the provision of themselves and their families"². Evidence of the survival of the gild system is found in the seventeenth and eighteenth centuries. According to an account written in 1615, "yarn is weekly brought into the market by a great number of poor people that will not spin to the clothier for small wages, but have stock enough to set themselves on work, and do weekly buy their wool in the market by very small parcels according to their use, and weekly return it in yarn, and make good profit thereof, having the benefit both of their labour and of the merchandise, and live exceeding well". These yarn-makers were "so many in number that it is supposed

A View of Devonshire in 1630 (ed. 1845), 61. Fullers: *Statutes*, ii. 81; *Liber Custumarum*, i. 130. Cloth-finishers: *State Papers Domestic*, 1633-1634, p. 363. Dyers: *Rotuli Parliamentorum*, iv. 75.

¹ Eden, *The State of the Poor* (1797), i. 554-555. Cf. Penney, *The Household Accounts Book of Sarah Fell*, p. xx. Also in Scotland: Duncan, *Essays on the Art of Weaving* (1808), p. ii.

² Stowe MSS., 554 f. 45.

. . . that more than half the cloth that is made in Wiltshire, Gloucestershire and Somersetshire is made by the means of these yarn-makers and poor clothiers that depend weekly upon the wool chapmen which serve them weekly with wools either for money or credit " ¹. In the eighteenth century it was still not unknown for ' poor people ' to " get forty or fifty pounds of wool at a time to employ their wives and children at home in carding and spinning, of which when they have ten or twenty pounds ready for the clothier they go to market with it and there sell it " ². Traces of the gild system are also found among other groups of artisans. Westcote, in his *A View of Devonshire in 1630*, depicts the essential features of primitive industry in Devonshire, where " the gentleman farmer or husbandman sends his wool to the market, which is bought either by the comber or spinster, and they, the next week, bring it thither again in yarn which the weaver buys ; and the market following brings that thither again in cloth " ³. Even cloth-workers, engaged in the finishing processes, continued in the seventeenth century to purchase raw cloth for resale in a finished condition. The London cloth-workers informed the Privy Council in 1634 that two thousand cloth-workers lived by buying cloth in open market—either undressed or country-dressed—and selling it again, after they had perfected its dressing ⁴. Similarly, in the provinces the cloth-workers often owned the cloth on which they worked ⁵. In other industries, besides textiles, the small independent producer, working under his own roof on his own materials and with his own tools, frequently survived—for example, among metal workers ⁶. And not only the household and gild systems, but also the factory system ⁷, co-existed with the domestic system. In some branches of the textile industries, and in a great variety of other trades, the

¹ State Papers Domestic, James I., vol. lxxx. 13 (printed in Unwin, *Industrial Organization*, Appendix A, ii.). Also *State Papers Domestic*, 1633-1634, p. 249.

² *Remarks upon Mr. Webber's Scheme* (1741), 21.

³ (Ed. 1845), 61.

⁴ *State Papers Domestic*, 1634-1635, pp. 375. 511 ; 1633-1634, p. 363.

⁵ *Ibid.* 1635-1636, p. 34.

⁶ *Infra*, p. 171.

⁷ Using the term here to include work in any industrial establishment.

operations were carried on, not in the homes of the artisans, but at the master's 'works' ¹. The system of home-work was never universal, and the 'Industrial Revolution', therefore, did not create any new form of industrial organization, though it made the factory the predominant form.

The domestic system organized on a capitalist basis.

The domestic system was organized on a capitalist basis. The growth of capitalism in any industry depends upon three main factors ²—the extent of the market, the division of labour, and the nature of the processes. A local market can be supplied by independent bodies of craftsmen, but a national or international market demands a more complex organization: where the division of labour is small, the possibilities of co-operation among the various groups of artisans are greater: when the processes require only a negligible amount of fixed capital in the form of appliances, it may be provided by the workers themselves. The operation of these factors explains the evolution of industry on capitalist lines. In the first place, an ever-widening market and a corresponding increase in production called for an intricate organization, while it also made the investment of capital a profitable venture. In the second place, the division of labour in the textile manufactures, in particular, seemed to necessitate centralized control in the hands of an entrepreneur. Cloth passed through many hands ³; and it was inevitable that the combers, spinners, weavers, fullers, dyers and cloth-finishers should become dependent upon capitalist employers. The cutlery trade, to take another example, had three branches—knives, scissors, shears and sickles; "and none of them have used to intermeddle with the others". Each branch was subdivided into several processes—in the case of knives the occupations of bladesmiths, hafters and sheathers are described as 'mutually exclusive' ⁴. Specialization in industry was more widespread in earlier times than is commonly supposed, and the stress which Adam Smith

¹ See *infra*, Appendix, p. 478, No. 1.

² Cf. *supra*, Introduction, pp. xiii-xiv.

³ On the processes in the woollen industries, see *infra*, Appendix, p. 469, No. 1. For an example showing in what proportions a group of workers would be divided up for the making of cloth, see *Hist. MSS. Comm. Kenyon*, 572.

⁴ Lloyd, *The Cutlery Trades*, 172-178.

laid upon the importance of the division of labour was anticipated by Petty and other economists in the seventeenth century. "Cloth must be cheaper made", observed Petty, "when one cards, another spins, another weaves, another draws, another dresses, another presses and packs, than when all the operations above-mentioned were clumsily performed by the same hand." And again: "In the making of a watch, if one man shall make the wheels, another the spring, another shall engrave the dial plate, and another shall make the cases, then the watch will be better and cheaper"¹. "The more variety of artists to every manufacture", said the author of *Considerations on the East-India Trade* (1701), "the less is left to the skill of single persons; the greater the order and regularity of every work, the same must needs be done in less time, the labour must be less, and consequently the price of labour less, though wages should not be abated"². The *Report on the State of the Woollen Manufacture of England* (1806) attributed "the acknowledged excellence and, till of late, superiority of the cloths of the West of England", to the skill which each class of workmen in the West Country had acquired by performing one set of operations³. In the third place, in certain occupations the capital expenditure increased as the processes grew more difficult, for instance, in coal-mining and glass-making. Yet it was primarily the first factor—the dissolving forces of an expanding market—that sapped the foundations of the mediaeval gild system⁴. The small independent producers were unable to withstand the pressure of the new economic tendencies owing to the fact that their organization was imperfect. The craft gilds exercised only a partial control over industry: they embraced the sphere of production—wages and prices and the technical details of manufacture—but not, as a rule, the sphere of marketing—the buying of raw material and the disposal of the finished

¹ *Economic Writings*, i. 260; ii. 473.

² *Considerations on the East-India Trade* (1701), 68-69. This recognition of the distinction between wages and labour costs is noteworthy.

³ *Parliamentary Papers* (1806), iii., page 8 of the Report.

⁴ For the early development of capitalism in the woollen industry, see *supra*, vol. i. 468. Also see *infra*, Appendix, p. 470, No. 1.

product¹. This meant that the problems arising from the expansion of a local market into a national and international market must be solved by private enterprise; and so the gildsman came to be superseded by the capitalist entrepreneur as the dominating figure in the new economic order.

*Position
of the
artisan
under the
domestic
system.*

Although the transformation of the master craftsman, who combined trading and handicraft functions, into a wage-earner involved a loss of economic status, we must not infer that his standard of life was thereby degraded. The position of the manual worker under the domestic system was often superior to that of the small producer who enjoyed a nominal independence and eked out a miserable pittance by the sweated labour of himself and his family. The 'garret masters' in the metal trades, for example, were worse off than the employees of the large producers, since they were at the mercy of the middlemen who sold them the raw material on credit and bought the finished product at their own price². An ironmaster, writing in 1677, pointed out that a manufacturer with command of capital "buys all his materials at the best hand, and is able to keep his goods for the best market; but the poor man is forced many times to buy his materials he makes his commodity with of some of his own trade, and is thereby forced to buy dear and sell cheap"³. Thus in the textile and metal trades the scales were definitely weighted in favour of the 'great dealers' long before the introduction of machinery.

The capitalist system is commonly associated with two things: large-scale production and industrial friction. There are abundant indications of both in former centuries. The careers of John Winchcombe, William Stumpe, Peter Blundell and Humphrey Chetham, among others, demon-

¹ There were some exceptions. The Frame-work Knitters' Company formed a joint stock in 1720 (*infra*, p. 107); the Sheffield Cutlers' Company carried on a steel works, 1759-1772 (Lloyd, *The Cutlery Trades*, 74); and the London Feltmakers' Company for a short period (c. 1611-1614) supplied its members with materials (Unwin, *Industrial Organisation*, 157-163; Appendix 240).

² Timmins, *Birmingham and the Midland Hardware District*, 480; Lloyd, *The Cutlery Trades*, 195-196.

³ Yarranton, *England's Improvement* (1677), 151, 169, 178.

strate the existence of the large employer in the textile industries¹. Contemporary statements of the size of a clothier's business are given below, and if they are to be relied upon a seventeenth-century woollen manufacturer might find work for as many as a thousand persons². In the silk industry, at the end of the seventeenth century, some master throwers employed five to seven hundred workers, and subsequently no less than fifteen hundred persons were employed³. Sail cloth was also manufactured on a large scale⁴. A witness informed a parliamentary committee in 1713 that he and his son hired five or six thousand persons in Middlesex, Berkshire and Warwickshire, in making sail cloth 'when in full work'⁵. Thirty years later another parliamentary committee was told by a manufacturer at Warrington that the bounty on exportation, coupled with the increased demand arising from the war with Spain, had enabled him to build up a business which at one time employed about five thousand persons of both sexes. The figures given by other sail cloth manufacturers range from five hundred to a thousand⁶. Examples of large-scale production in other industries can easily be multiplied. A salt-maker of Shields stated (1655) that he had a thousand workers; a tobacco dealer (1713) employed three hundred persons 'in rolling tobacco'; hat manufacturers in the eighteenth century kept eighty to a hundred artisans at work and paid out four to five hundred pounds per month in wages; in the metal trades we find an ironmonger (1644) employing a hundred men in making horse-furniture, and a 'toy' manufacturer (1759) six hundred in making seals, snuff boxes, etc.; a calico-printer and a lace-maker might hire two or three hundred workers; in the glass industry at the end of the seventeenth century manufacturers employed a

*Large-scale
production.*

¹ Lipson, *The History of the Woollen and Worsted Industries*, 45-49. Another great clothier was John Kendrick of Reading: Man, *The History of Reading* (1816), 150.

² *Infra*, pp. 17-18.

³ *House of Lords MSS.*, 1693-1695, p. 322; and *infra*, p. 104.

⁴ In the second half of the seventeenth century sail cloth was partly manufactured in England and partly imported from France: *State Papers Domestic*, 1665-1666, p. xxxix.

⁵ *House of Commons Journals*, xvii. 351.

⁶ *Ibid.* xxii. 608; xxv. 100-101, 1025-1027.

hundred men¹. These examples, and others noticed below, strengthen the conclusion that large undertakings in the extractive industries, the textile manufactures and the metal trades, were a recognized feature of the older industrial system². Another indication of the progress of capitalism is the growth of the trade union movement which, as will be seen later³, sprang into prominence as soon as the State relaxed its control over economic life. Industrial strife was often as acute in the eighteenth as in the nineteenth century. Trade unionism was so far from being the result of machinery that the invention and adoption of machines were, partly at any rate, stimulated by the hope of liberating employers from their dependence upon labour⁴.

The structure of capitalism.

The structure of capitalism assumed different forms under the domestic and factory systems. The latter involved extensive outlay on buildings and plant: the former required only warehouses in which to store the raw materials and finished products. Under the factory system the employer owns both the fixed and the circulating capital. Under the domestic system the ownership of capital was divided: the manual workers furnished the fixed capital in the shape of tools and workrooms, and the entrepreneur supplied the circulating capital employed to pay wages and purchase materials. Thus the capital invested in domestic industries was drawn from a wide area. The principal source was the entrepreneur, but capital was also provided by innumerable artisans in the form of spinning and weaving appliances, cutlery tools, and the like. The entrepreneur was in a stronger bargaining position than the artisan, since

¹ Salt: *State Papers Domestic*, 1655, p. 36. Tobacco: *House of Commons Journals*, xvii. 368. Hats: *ibid.* xxix. 907; *Reports from Committees of the House of Commons*, ii. 373-374 (1752). Metals: *Hist. MSS. Comm. Denbigh*, 79 (1644); *House of Commons Journals*, xxviii. 496. Lace: *ibid.* xiii. 270. Glass: *ibid.* xii. 281-282. Defoe erected 'a manufacture' in Essex, where he employed 100 'poor families': *Hist. MSS. Comm. Portland*, iv. 88 (1704). For calico-printing: *infra*, vol. iii. 42. Also see *infra*, Appendix, p. 470, No. 2.

² Contrast Toynbee, *The Industrial Revolution* (ed. 1906), 52: "The class of capitalist employers was, as yet, but in its infancy". On the other hand, small-scale production was still common after the 'Industrial Revolution': see Clapham, *An Economic History of Modern Britain*, i. 68 *seq.* See also *supra*, Introduction, p. ix.

³ *Infra*, vol. iii. 386.

⁴ E.g. the combing machine: *Character, Object and Effects of Trades Unions* (1834), 61.

free capital can always command 'interest', whereas fixed capital does not always earn 'rent'; and he received a larger share of the profits as compensation for the risks of finding a market for the products. Yet even under the domestic system the employer might own the instruments of production—weaving looms and knitting frames were sometimes hired by the artisan¹—just as under the factory system the men might bear a share of the establishment charges².

The amount of capital required by an entrepreneur depended upon the nature of the industry and the size of the industrial unit^{3a}. A business in which the entrepreneur supplied the fixed as well as the circulating capital might involve an outlay beyond the resources of individuals. The beginnings of joint-stock companies are associated with enterprises which demanded buildings and expensive plant, for instance, the brass and copper works established in the reign of Elizabeth³. It was stated in 1712 that "£45,000 had been expended in the building of [copper and brass] works, and £150,000 lost before the manufactures were brought to perfection"⁴. Another example is the 'manufactory' of cambrics and lawns at Winchelsea, which contained eighty-six looms at work: £20,000 had been expended on 'buildings and other preparations', and application was made to Parliament in 1764 to sanction a joint stock "because the manufactory cannot be carried on to any considerable extent without a large sum"⁵. Coal-mining, as will be shown, presents the most striking examples of the sinking of capital in industrial undertakings⁶. In the textile industries fixed capital was only required in the exceptional cases where the work was performed under the employer's roof⁷; but the amount of circulating capital needed was often considerable according to the size of the business.

*Amount of
capital
required.*

¹ *Infra*, pp. 31, 108. Clothiers also supplied the cards used for carding wool: *The Reply of the Card-Makers and English Wool-Clothiers to the Observations of the Spanish Wool-Clothiers*.

² Thus in the cutlery trades 'inworkers' paid 'trough rent' for the use of grinding wheels in the employer's factory; and others paid rent for 'a side', i.e. for bench accommodation: Lloyd, *The Cutlery Trades*, 224.

^{3a} Cf. *supra*, Introduction, pp. xxi.-xxiii.

³ *Infra*, p. 174.

⁴ *House of Commons Journals*, xvii. 161.

⁵ *Ibid.* xxix. 785.

⁶ *Infra*, p. 119.

⁷ *Infra*, pp. 53, 84.

A clothier frequently held large stocks of raw materials and finished cloth—a Gloucestershire clothier in 1707 had two thousand pounds' worth of cloth at London¹—he had to pay wages to a numerous body of workpeople; and he had to allow extensive credit to his customers². The clothiers, said a writer in 1719, "are generally men of substance and good stocks³. They have often whole towns and villages employed in their particular works, and though they do feel a stop of the trade at market, they do not so immediately put stop to their works, but they must keep their markets and make their circuits, to take in the yarn and put out the wool, or their neighbours will break in upon them, their spinners will seek work in other hands, and perhaps not be gotten again when they may want them. Thus they go on for a great while, though the goods when made do not sell, till Blackwell Hall lies piled up to the roof with goods, and the wholesale-men's and factors' warehouses are thronged with them"⁴.

(1)

TEXTILES: WOOL

*Importance
of the
woollen
manu-
facture.*

Among the industries of England the woollen manufacture held the premier position from the twelfth to the nineteenth century. To quote a petition laid before Parliament in 1800: it was 'our earliest, most extensive and most valuable manufacture'⁵. As early as 1454 Parliament declared that "the making of cloth within all parts of the realm is the greatest occupation and living of the poor commons of this land"⁶. Camden (1607) described English cloth as 'one of the pillars of the State': Coke termed it 'the worthiest and richest commodity of this kingdom': the Venetian ambassador wrote home in 1610 that it formed 'the chief wealth of this nation': a petition of the Commons to the

¹ *House of Commons Journals*, xv. 459. Cf. Anstie, *A General View of the Bill for preventing the Illicit Exportation of British Wool* (1787), 83.

² *Infra*, p. 28.

³ *I.e.* capital.

⁴ *A Brief State of the Question between the Printed and Painted Calicoes, and the Woollen and Silk Manufacture* (1719), 41.

⁵ *An Account of the Proceedings of the Merchants, Manufacturers and others concerned in the Wool and Woollen Trade of Great Britain* (1800), 26.

⁶ *Rotuli Parliamentorum*, v. 274.

King at the Restoration pronounced the woollen manufacture ' the principal foundation upon which the foreign commerce of this kingdom moveth ' : an Act of Parliament after the Revolution extolled it as ' the greatest and most profitable commodity of this kingdom on which the value of lands and the trade of the nation do chiefly depend ' : Defoe (1724) praised it as ' the richest and most valuable manufacture in the world ' ¹. Even as late as 1782 a writer is found to protest against the cotton mills ' lately erected in the neighbourhood of Manchester ', and to utter the warning that if these mills were " suffered to destroy our woollen and stuff manufactures, they will prove the most fatal discoveries ever made in Old England " ². Seventeenth-century statisticians computed that the value of our woollen manufactures at the time of the Revolution was eight million pounds per annum (of which two millions were exported) : with this may be compared their estimates that the annual value of arable produce, wheat and other crops, was nine millions, and that the rent of agricultural land was about seven and three-quarter millions ³.

The organization of the woollen industry reveals two distinct phases—one where the influence of capital was comparatively negligible and there was no conflict of capital and labour ; the other where the influence of capital was considerable, though not as yet completely predominant. The best example of the former is to be found in the North of England, and of the latter in the West Country. We can only guess at the reasons for the contrast between the North and the West. In the first place, the West Country possessed the second seaport in the kingdom. As early as the tenth century Bristol was an important centre of foreign trade, and the wealth accumulated in commerce doubtless supplied part of the capital invested in industrial enterprises

*The phases
in the or-
ganization
of the
woollen
industry.*

¹ Camden, *Britannia* (ed. 1607), 247 (*Inter reipublicae nostrae Columina*) ; Coke, *The Second Part of the Institutes* (ed. 1671), 41 ; *State Papers Venetian*, 1610-1613, p. 3 ; *House of Commons Journals*, viii. 149 (1660) ; *Statutes*, vii. 524 (1698) ; Defoe, *Tour of Great Britain* (ed. 1724), i. Letter iii. 77. See *infra*, Appendix, p. 470, No. 3.

² *The Contrast, or a Comparison between Our Woollen, Linen and Silk Manufactures* (Bischoff, *History of the Woollen and Worsted Manufactures*, i. 233).

³ Davenant, *Works* (ed. 1771), ii. 216-217, 234.

*West and
North of
England
contrasted.*

—it is significant that our first glimpse of the factory system is at Bristol in the fourteenth century¹. Secondly: the West enjoyed unrivalled facilities for the transport of materials and finished goods. The Severn was the great highway which penetrated into the heart of the clothing counties and linked up the manufacturing centres with the port of exportation. Thirdly: the West had rich grazing lands which supplied the fine wool necessary for the production of the better kinds of cloth; and prosperous sheepmasters sometimes turned clothiers, as for instance the Tames of Fairford². Lastly: the West exported cloth to the Low Countries, France and Germany, and these markets demanded cloth of superior quality³. The North of England presents a different picture. The records of the Yorkshire woollen industry stretch back to remotest times, but it remained for centuries in a backward condition. Yorkshire was not immune from the lethargy which made the North, with its primitive social and economic system, so marked a contrast to the South with its advanced civilization, its flourishing industry and trade, its organized urban centres, and its rich and abundant vitality. Although at a later period the West Riding imported wool from other parts of England it was unable, even with the same quality of wool, to produce the same quality of cloth as the West Country⁴. The superiority of the latter was attributed to more careful sorting of the wool, improved methods of dyeing and finishing, and greater specialization. Yorkshire sent abroad very large quantities of cloth⁵, but it supplied such markets as Russia and Poland which took coarse cloth to clothe their armies. The general level of the industry

¹ *Supra*, vol. i. 469.

² *Ibid.* 479.

³ Also the water of the R. Avon was considered "particularly qualified for the use of the clothiers . . . for dyeing the best colours, and for fulling and dressing the cloth, so that the clothiers generally plant themselves upon this River": Defoe, *Tour of Great Britain* (ed. 1725), ii. Letter i. 43-44. The water of the Stroud was said to have a peculiar quality for dyeing red: Camden, *Britannia* (ed. Gough, 1806), i. 395. See *infra*, Appendix, p. 470, No. 4.

⁴ Hirst, *History of the Woollen Trade for the last Sixty Years* (1844), 10; Heaton, *The Yorkshire Woollen and Worsted Industries*, 205-206.

⁵ Of the 80,000 cloths manufactured annually in the West Riding in the reign of Charles I., 60,000 went abroad: *Victoria County History, Yorkshire*, ii. 416.

as regards quality and skill was low, in spite of the efforts to 'rob the West and East' of their markets by cheap imitations¹; and in the seventeenth century it was a byword 'to shrink as northern cloth'².

We shall examine, first, the organization of the woollen industry as it existed in the West Country and in those parts of the kingdom where the structure of society was essentially similar³. *The West Country.*

In the foreground of the picture stands the capitalist, or clothier as he was termed. The clothier was the pivot of the industrial system, and in his hands was concentrated the whole control of the textile industry⁴. One writer compared him with the sun inasmuch as "he scattered life and its supports to every one around him"⁵. His position at the very centre of the cloth trade enabled him to supervise and direct every stage of the manufacture. He was responsible, in fact, for the whole series of processes from the time the wool was picked, washed, carded and spun, until it was woven, fulled, and 'perfected' into cloth⁶. In the *The clothiers.*

¹ For the competition of Yorkshire with other centres, see *infra*, Appendix, p. 477, No. 1. Also *Hist. MSS. Comm. Leeds*, 214; *The Letter Books of Holroyd and Hill* (ed. Heaton).

² Fuller, *The History of the Worthies of England* (ed. 1662), s.v. Yorkshire, p. 225. See *infra*, vol. iii. 338.

³ East Anglia and the south-eastern counties contained a class of clothiers. For example, the bay-makers of Colchester employed weavers: *House of Commons Journals*, xviii. 280. See also next note.

⁴ The clothier, although the most important, was not the only capitalist employer in the woollen industry. There was a class of 'market spinners' who "set many spinners on work", and sold the yarn without working it up into cloth (*infra*, p. 45). The worsted industry, of which Norwich was the principal seat, was differently organized. The preparatory stages of the industry were controlled by the master combers who owned the wool, employed journeymen combers to comb it and spinners to convert it into thread, and then sold the yarn to the master weavers: *House of Commons Journals*, xi. 22; xix. 198; *The Female Manufacturers' Complaint* (1720). These master weavers differed from the West Country weavers because they owned the material, and from the West Country clothiers because they did not control the manufacture through all its processes. There were master combers in many other parts of England: *House of Commons Journals*, xix. 192-193, 208; xxxvi. 85, 95; xxxix. 921. But East Anglia also contained a class of manufacturers who "conduct the combing, spinning and weaving branches": *Annals of Agriculture*, ii. 106.

⁵ *The Gentleman's Magazine*, ix. 205. Similarly: *Victoria County History, Worcestershire*, ii. 293.

⁶ *Parliamentary Papers* (1802-3), vii. 252; Tucker, *Instructions* (ed. 1757), 24.

West Country the clothier was called the 'gentleman clothier' ¹—an indication that the business of cloth-making was not considered to involve social inferiority; even in the Middle Ages there was a mayor of Canterbury who "took upon him the occupation of making of cloths and lived like a gentleman" ². But the term is significant in another way: it showed that the West Country clothier, unlike the Yorkshire clothier, was not a manufacturer ³ in the literal sense in which the word was used before the 'Industrial Revolution', namely, a man who works with his own hands. The manufacturers, *par excellence*, were the weavers and cloth-finishers, while the clothiers assumed the functions of the entrepreneur: they directed the industry and left to others the execution of its details. Most clothiers probably never learnt the regular trade of a weaver; indeed we find men entering the occupation late in life, after essaying other callings, for example, the law ⁴. It was a frequent complaint that many persons exercised 'the art and mystery of master clothier' without having "served a lawful apprenticeship to the same, or having a proper skill in the manufacture, and often times without having any substance or sufficient stock to carry it on"; and by "this destructive liberty, upon every little motion of trade, persons of little or no skill have rushed into this occupation . . . drawing many raw and unexperienced labouring hands into the trade more than the manufacture" could ever support ⁵. One-

¹ *The Beaux Merchant: A Comedy. By a Clothier* (1714), 34; *Parliamentary Papers* (1802-3), vii. 11, 61. There were also 'gentlemen iron-masters' and 'gentlemen tanners': Fell, *The Early Iron Industry of Furness*, 265, 281. Cf. also, *Hist. MSS. Comm. Verulam*, 248. Thomas Cromwell (*The Dictionary of National Biography*) and Sir William Petty (*Economic Writings*, i. p. xiv.) were both connected with the clothing industry in the early stages of their career. ² *Supra*, vol. i. 470.

³ A writer in *The Gentleman's Magazine*, ix. 237, refutes the charge against clothiers of combining to lower the wages of the manufacturers.

⁴ It was fairly common for men to pass from one occupation to another, e.g. Yarranton, an ironmaster, had been apprenticed to a linen-draper, but found "the shop too narrow and short for my large mind": *England's Improvement* (1677), 55, 193. For an admirable account of Yarranton, see A. L. Smith in *The Dictionary of Political Economy*.

⁵ Perhaps the real grievance was that the 'interloping' clothiers raised the price of labour by their competition: *House of Commons Journals*, xii. 525 (1699); xxiii. 639, 648, 657, 664, 686 (1741); xxiv. 88, 112, 117, 124 (1742).

third of the makers in Gloucestershire, Somersetshire and Wiltshire, wrote John Haynes in 1706, "never served an apprenticeship to a clothier". Many were "ignorant of the true method and mystery of sorting the wool, spooling, or warping the chain for the weaver, milling, and rowing or shearing the cloth when milled, or the dyeing, racking or pressing of it"¹. The Yorkshire working clothier was a practised weaver, but the West Country clothier confessed on occasion that he could neither put a chain on the loom nor weave the cloth²: he was in a word an employer, not a manual worker.

Nor was the West Country clothier a manufacturer in the modern usage of the term. The modern cloth manufacturer is first and foremost an industrial capitalist. He does not merely organize industry in the sense of co-ordinating the various processes: he carries on the industry under his own roof and makes it his function to study and perfect in detail the whole business of manufacturing. The clothier was a trading rather than an industrial capitalist. He was primarily concerned with buying and selling—he bought the raw material and he sold the finished product; the actual details of the manufacture were left to the spinners, weavers and cloth-finishers. When Kay invented the fly shuttle, the weavers were not compelled by their employers to adopt it; they were left free to use it or not as they thought fit. The clothier did not go round their homes and see how the work was being done; he examined the work only when it was brought back³. And yet it is misleading to term the clothier a merchant or middleman, for this obscures the importance of his function as an employer of the various classes of artisans engaged in the industry. In short it is unsafe to use modern terminology in an exposition of the old domestic system: we must be content to set its main features in a clear light, without attempting doubtful analogies with later developments.

*Functions
of the
clothiers.*

¹ *A View of the Present State of the Clothing Trade in England*, 83. Similarly: *The Interest of England . . . considered in a Dialogue between Sir T. Flourishing, a Merchant, and T. Castdown, a Clothier* (1701), 24; *Parliamentary Papers* (1802-3), v. 246.

² *Parliamentary Papers* (1802-3), vii. 261, 281.

³ *Ibid.* 7.

Wealth
of the
clothiers.

The clothiers often conducted business on a large scale. The aulnagers' accounts of the fourteenth century throw light upon the growth of capitalism at this early period¹, and the careers of Winchcombe and Stumpe reveal its importance in the sixteenth century². We have already seen that, though the clothier as a rule was spared any considerable outlay on buildings and tools, he needed circulating capital. According to the calculations of *The British Merchant* (1713)³ a clothier who bought at market fifty packs of wool, picked and sorted, expended £10 per pack⁴ or £500 in all. He made out of the wool a hundred broad cloths, and the cost of their manufacture and carriage to London amounted to a similar sum. Many rich clothiers started from very small beginnings. "Myself have known many", said a writer in 1675, "who came to considerable estates, who have told me they begun with ten pound"⁵. A notable example was Peter Blundell, one of the greatest clothiers of the sixteenth century, who left a fortune of £40,000, which at this period represented an immense amount. A great part of his fortune was devoted to charitable bequests. Mindful of the saying⁶ of William of Wykeham, who founded a school at Winchester and a college at Oxford in the fourteenth century, he instituted the famous Free Grammar School at Tiverton⁷. A seventeenth-century clothier at Coggeshall was 'scarcely to be matched' in England, for he died (1664) worth near £100,000 which he raised by the bay trade⁸. In the eighteenth century Defoe relates that he was told at Bradford, in Wiltshire, "that it was no extraordinary thing to have clothiers in that country worth from ten thousand to forty

¹ *Supra*, vol. i. 469.

² *Ibid.* 476-478.

³ (Re-issued in 1721 by C. King) i. 156. *Infra*, Appendix, p. 471, No. 1.

⁴ A pack = 240 lbs. : Smith, *Chronicon Rusticum-Commerciale* (ed. 1747), ii. 558.

⁵ J. C., *The Weaver's Pocket-Book or Weaving Spiritualized* (1675), 99. Similarly: *The Interest of England . . . considered in a Dialogue between Sir T. Flourishing and T. Castdown* (1701), 22.

⁶ "Though I am not myself a scholar, I will be the means of making more scholars than any scholar in England."

⁷ Dunford, *Historical Memoirs of Tiverton* (1790), 114, 344, 348.

⁸ *Victoria County History, Essex*, ii. 396.

thousand pounds a man, and many of the great families who now pass for gentry in those counties have been originally raised from and built up by this truly noble manufacture" ¹.

The number of persons employed by a clothier depended upon the number of cloths which he made. A writer in 1618 remarked: "It is reckoned that he who maketh ordinarily twenty broadcloths every week cannot set so few awork as five hundred persons", counting wool-sorters, carders, spinners, weavers, burlers, fullers, cloth-finishers, dyers, makers of looms and spinning wheels, carriers and others. He added: "Some there be that weekly set more awork but of this number there are not many" ². This gives an average of twenty-five workers per loom, and another estimate, made by Sir Edwin Sandys in the House of Commons (1621), was that "one loom maintained forty persons" ³. The statement that some seventeenth-century clothiers set on work more than five hundred persons seems confirmed by the example of a Wiltshire clothier in the reign of Charles I., who was said to hire a thousand weavers and spinners ⁴. A Colchester baymaker employed "four hundred households of spinners, fifty-two of weavers, and thirty-three of others" ⁵. In the eighteenth century we hear of a West Country clothier who engaged only three weavers, but this was evidently exceptional ⁶. A clothier of reasonable pretensions would maintain at least thirty or forty looms ⁷: this did not necessarily mean thirty or forty weavers, for one weaver might have two or three looms under his roof. Some clothiers employed a hundred and fifty, or even two hundred weavers ⁸, but not all the weavers on an employer's books worked for him alone ⁹. Besides

*Number of
persons
employed
by
clothiers.*

¹ Defoe, *Tour of Great Britain* (ed. 1725), II. Letter i. 43-44. Similarly: Defoe, *A Plan of the English Commerce* (ed. 1728), 84.

² Reyce, *Breviary of Suffolk* (1618—ed. 1902), 22.

³ *House of Commons Journals*, i. 527. A witness before a parliamentary committee in 1729 estimated that "each loom gives employment to forty or fifty people": *ibid.* xxi. 292. See also *infra*, vol. iii. 305, note 7.

⁴ *State Papers Domestic*, 1629-1631, pp. 505-506. Another had two hundred workpeople: *ibid.* 1619-1623, p. 395.

⁵ *Ibid.* 1637, pp. 88, 115. See *infra*, Appendix, p. 471, No. 2.

⁶ *Parliamentary Papers* (1802-3), vii. 7.

⁷ *Ibid.* 37.

⁸ *Ibid.* 268, 279.

⁹ *Infra*, p. 32.

weavers, the clothier had in his employment numerous other workers, so that an opulent clothier might hire altogether as many as eight hundred or a thousand persons¹. It is evident, then, that the capitalist employer was already the outstanding figure in the textile industries long before the factory system made him the owner of the instruments of production as well as the proprietor of the raw material. But under the domestic system he was limited in the extent of his business by the number of weavers available in the neighbourhood. For the spinning of yarn he drew upon a very wide area²: for the weaving of cloth he was usually restricted to artisans who lived within a circuit of ten miles at the most. Clothiers often found themselves hampered in their business by the scarcity of weavers. In normal times the supply was doubtless equal to the demand, yet when trade was brisk difficulty was sometimes experienced in executing orders from abroad. Moreover the limited functions of the West Country clothiers suggest that they must often have enjoyed considerable leisure. Those whose business was conducted on a small scale were not required to make great exertions as they were spared the duty of supervising the actual manual processes, which were not performed under their own roofs, and they disposed of their goods through the agency of factors at Blackwell Hall³. Hence many clothiers carried on another occupation, for example, they entered the malting or tanning trades, or bought small farms and reclaimed the waste. In the case of Ashburton, in Devonshire, it has been said that "nearly all the improvements connected with reclaiming the waste lands in the parish can be traced to their once belonging to some serge-maker"⁴.

The clothier, unless he owned his own flock⁵, obtained his supply of raw material in one of three ways—direct from the wool grower; through the agency of middlemen; from the yarn-makers. The 'rich' clothier purchased his wool

¹ *Parliamentary Papers* (1802-3), vii. 128; Tucker, *Instructions* (ed. 1757), 24. ² *Infra*, p. 46. ³ *Infra*, p. 25.

⁴ *Transactions of the Devonshire Association*, viii. 331-332.

⁵ E.g. Bakewell, *Observations on the Influence of Soil and Climate upon Wool* (1808), 32.

in the fleece from the farmers in the wool counties. Accord- ^{Purchase of raw materials.} ing to a statement in 1615 ¹, he was wont to "make his whole year's provision beforehand ² and lay it up in store, and in the winter time have it spun by his own spinsters and woven by his own weavers and fulled by his own tuckers [fullers], and all at the lowest rate for wages". Many of them were 'brogging clothiers', that is, they sold to other manufacturers a part of the wool which they bought. The 'meaner' clothier had neither the leisure to travel in the wool country nor the money, to make large purchases of wool at shearing-time. He therefore obtained the material from the wool merchant, or wool stapler as he was called, who acted as middleman between the clothier and the grower, just as the factor was the middleman between the clothier and the draper ³. The poor clothiers could not afford to buy wool in its raw state, and their practice was to "buy their yarn in the markets ⁴, and presently make it into cloth, and sell it for ready money, and so buy yarn again".

Hatred of the middleman was deep-rooted; and the wool brokers, who bought wool from the growers and with ^{Middlemen in the wool trade.} 'greedy and covetous minds' (to use the picturesque phrase of the statute-book) ⁵ sold it at enhanced prices to customers, came under the lash of condemnation which was visited upon all who sought to manipulate supplies and force up prices. An Elizabethan document (1593) contains a vivid denunciation of the yarn brokers. "Divers evil-disposed persons, commonly called yarn choppers or jobbers of woollen yarn, wanting the fear of God, and caring only for their own private gain, without having any regard of the maintenance of the commonwealth . . . do in every fair and market buy up and get into their hands so great quantities of woollen yarn that the clothiers . . . are driven for their necessity sake to buy the same at their hands deceitfully handled, and at

¹ State Papers Domestic, James I., vol. lxxx. 13 (printed in Unwin, *Industrial Organization*, Appendix A. ii).

² September was 'their chief and best time' for Essex clothiers to provide their wool for the whole year: *State Papers Domestic*, 1640-1641, p. 30.

³ *Infra*, pp. 22, 26. *Commons Debates*, 1621 (ed. Notestein, Relf, and Simpson), v. 488; vii. 496, 499 ("Thousands live from hand to mouth").

⁴ For the market spinners, see *infra*, p. 45.

⁵ *Statutes*, iv. part i. 141 (1552).

such unreasonable prices as they list to set upon the same, whereby the clothiers . . . are very greatly hindered, and such drones, idle members and evil weeds in a commonwealth, by such oppressions maintained and greatly enriched " ¹.

*Merchants
of the
Staple.*

The principal group of wool dealers was the Society of Staplers which enjoyed the distinction of being the oldest corporation of merchants in English oversea trade. For two centuries the staple was established at Calais ². After the loss of Calais it was removed to Middelburg ³, and then to Bruges ⁴. The proclamation of 1617, which prohibited the export of wool abroad, abolished the foreign staple, set up in its place more than twenty home staples, and empowered staple merchants to "buy wool anywhere in England and sell it in any staple, notwithstanding 5 Edward VI. or any proclamation " ⁵. Deprived of their foreign trade in wool, the staplers sought admission into the cloth trade ⁶; but failing to make a breach in the monopoly of the Merchant Adventurers, and destitute of other means of livelihood, they concentrated their energies upon the home trade in wool. Here they soon found themselves in conflict with the clothiers, especially the rich clothiers, whose ambition to control the home market in wool was thwarted by an organized body of experienced and wealthy dealers, who on occasion even united their resources in a joint stock ⁷. Under the Commonwealth the common council of London appointed a committee to inquire into 'the foundation and nature of the staple' and the privileges enjoyed by the staplers. The committee reported ⁸ that "inasmuch as the

¹ *Tudor Economic Documents* (ed. Tawney and Power), i. 375.

² *Supra*, vol. i. 563. See also *infra*, vol. iii. 22-23.

³ *Hist. MSS. Comm. Salisbury*, i. 164.

⁴ *State Papers Domestic*, 1601-1603: with Addenda, 1547-1565, pp. 496, 511. *Ibid.* 1547-1580, p. 694. *Acts of the Privy Council*, 1575-1577, pp. 92, 162. *State Papers Foreign*, 1578-1579, pp. 134, 482.

⁵ *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1197.

⁶ *House of Commons Journals*, i. 612, 698, 784; *Hist. MSS. Comm.* iii. 25; *State Papers Domestic*, 1619-1623, p. 250 (1621); *ibid.* 1634-1635, p. 257. See *infra*, Appendix, p. 471, No. 3.

⁷ *State Papers Domestic*, 1650, p. 408. Campbell states that £1000 to £10,000 was required to set up as a wool stapler: *The London Tradesman* (1747), 340.

⁸ *State Papers Domestic*, 1651, p. 270. Cf. also *ibid.* 1641-1643, p. 511; 1645-1647, p. 586. See also *Commons Debates 1621* (ed. Notestein, Relf, and Simpson), iv. 95-97; v. 487.

transportation [of wool] is now forbidden, for which only or chiefly they were constituted a society, we do not now conceive them at all necessary, but in many respects disadvantageous as being the principal cause : (1) of the dearness of wool and consequently of cloth ", because they engrossed the greatest part and sold it at their own rates ; (2) " of the badness of the cloth, for the staplers buying wool of several counties and sorts, as northern and western, pasture and fallow, sell the same mingled and compounded to the clothier who, not discovering nor able to single or separate again the different wools, makes up a bad and ill-conditioned cloth, that mixed wool not working alike in regard of its different qualities " ¹ ; (3) " of destruction to clothing " by transporting wool abroad to be worked up in foreign parts. " The engrossers, jobbers and broggers ", it was said, " do go between the bark and the tree ", since they forestalled the clothier in making his purchases of wool from the grower, with the result that the price of cloth was enhanced and its quality impaired ².

In spite of the criticisms levelled against the wool dealers, *Functions of the wool dealers.* it is evident that they served a useful purpose in the economy of the woollen industry. They linked up the manufacturing districts with their sources of supply. They acted as intermediaries between the clothier and the grazier who usually lived in different counties a great distance apart. The short staple grown in Norfolk, for example, was consumed in Yorkshire : the long staple grown in Lincolnshire and Leicestershire was worked up in Norwich ³ : while " Halifax men occupy fine wool most out of Lincolnshire, and their coarse wool they sell to men of Rochdale " ⁴. Many

¹ The mixing of wool was a common complaint : Stowe MSS. 554. f. 45 ; Rymer, *Foedera*, xvii. 412 ; *Reasons of the Decay of the Clothing Trade*. By a Well-Wisher (1691), 5 ; *The Beaux Merchant : A Comedy*. By a Clothier (1714), 42. In *Reasons Presented to the Parliament for a more strict Prohibition of the Transportation of Wool* it is pointed out that " in every shire in England there is variety of sorts and prices according to the pastures." (The author was Francis Monck.)

² Rozer, *Reasons showing the desires of the Clothiers against ingrossing* (1648). Rozer acted on behalf of the clothiers in 1650 when issue was joined with the staplers : *State Papers Domestic*, 1650, p. 406. See also *ibid.* 1640, p. 301.

³ Young, *Tour through the East* (ed. 1771), ii. 74.

⁴ *Hist. MSS. Comm. Kenyon*, 573 (*temp. Eliz.*). See *infra*, Appendix. p. 471, No. 4.

clothiers, it was said, had not the tenth part of their wool growing in their county, "but must go fifty or a hundred miles to buy their wool"¹. The wool staplers thus spared the clothier the necessity of going about the country to collect his wool, and so effected a great economy of time and expense. Moreover the wool grower could not afford to await the clothier's convenience, selling the wool in small quantities and allowing long credit; and the 'wool chapmen' were able to take his stock off his hands in large parcels². On his part the poorer clothier had not the means to lay in a large supply of wool. He was obliged to "borrow the most part of it at the market" from the wool dealers, and after selling his cloth for ready money "come to the wool market and pay the old debt and borrow more". "Of this sort", we are told, "there are great store that live well and grow rich and set thousands on work; they cannot miss [dispense with] the wool chapman, for if they do they must presently put off all their workfolk and become servants to the rich clothier for 4d. or 6d. a day, which is a poor living"³. The staplers also enabled the clothier to buy his wool ready sorted⁴. A single fleece often contained several sorts of wool—even as many as eight or ten⁵; and it was the business of the staplers to sort out the different species to suit each kind of cloth⁶. This made it possible for a clothier to buy the exact quantity and quality required, and relieved him of the obligation to purchase a whole fleece of which certain parts might be useless to him. Hence the buying and sorting of wool became a specialized function, the importance of which is shown in the statement that "the perfect and principal ground of cloth-making is the true

¹ *State Papers Domestic*, 1650, p. 409.

² The richer growers often accepted bills, and the wool staplers also sold upon credit of two to five months: *Anglia Restaurata. By the Cheshire Weaver* (1727), 16-17.

³ *Supra*, p. 19, note 1. Also *State Papers Domestic*, 1633-1634, p. 249.

⁴ *The Beaux Merchant: A Comedy. By a Clothier* (1714), 41-42; "Report on the State of the British Wool Trade" in *Parliamentary Papers* (1828), viii. 30.

⁵ *House of Commons Journals*, xxvi. 428; *Journal of the Statistical Society*, xxii. (1859), 4; McCulloch, *A Dictionary of Commerce* (ed. 1882), 1537.

⁶ *Cf. Commons Debates 1621* (ed. Notestein, Relf, and Simpson), v. 487; vii. 497.

sorting of wools" ¹. Lastly, the fact that the staplers could dispose of the different qualities of wool to different manufacturers must have tended to reduce the average price of wool ², even though the competition of the dealers acted to some extent in the opposite direction. It was, therefore, not altogether without justification that the wool stapler was described as 'the sheet anchor of Great Britain' ³. These arguments in favour of the wool middleman were equally valid in other industries. The retailer of leather ⁴ was indispensable to the poorer traders and artificers in furnishing them with small quantities of leather curried and dressed and suited to their particular requirements. The rich London shoemakers opposed free trade in leather, in order "to prevent a supply of the poor and so force the trade from the poor to themselves". The suppression of the retailer in the leather industry, complained the small master, was designed to deprive the 'meaner' shoemakers of the conveniences they now enjoyed, and drive the poorest shoemakers to become journeymen 'for smaller wages' ⁵.

Laws in restraint of wool dealers were passed in the fourteenth, fifteenth and sixteenth centuries. As early as 1390 it was ordered that "no Englishman buy any wool", other than manufacturers and merchant exporters, and the prohibition was repeated at intervals ⁶. Eventually it was found that complicated economic problems could not be solved by simple ethical rules, the attempt to eliminate the middleman being bound to fail in the absence of any other machinery to carry on his functions. Norfolk was exempted from the Act in 1547, and Halifax in 1555 ⁷. The law, indeed, was unworkable and the proclamations issued by

Legal restrictions on wool dealers.

¹ *Statutes*, iv. part i. 232 (1554). Cf. Dyer, *The Fleece* (1757), bk. ii. 49 :

"In the same fleece diversity of wool
Grows intermingled, and excites the care
Of curious skill to sort the sev'ral kinds".

² Cf. the statement in Bischoff, *History of the Woollen and Worsted Manufactures*, i. 333.

³ Campbell, *The London Tradesman* (1747), 199.

⁴ For laws against the retailer of leather, see *Statutes*, iv. part i. 368 (1559), 430, 723.

⁵ *State Papers Domestic*, 1675-1676, pp. 88, 370, 373.

⁶ *Statutes*, ii. 76 (1390), 535 (1489); iii. 318 (1531), 1004 (1545); iv. part i. 141 (1552).

⁷ *Ibid.* iv. part i. 11, 288.

the Government for its enforcement were unavailing ¹. The justices of Lancashire said that if it were executed in their county, where the poor clothier was unable to go to the grower of wool nor the grower to come thither, "there were thousands of poor people utterly undone" ². When Coke was attorney general he refused—at the instance of the poor clothiers who were dependent upon them for supplies—to entertain 'informations' against wool dealers; and a member of Parliament stated in 1621 that the Statute was 'ever in dispensation' ³, dealers being allowed to take out licences, the cost of which must ultimately have been borne by the consumer ⁴. Moreover it was detrimental to the wool growers in "reducing their wools to overlow prices". They obtained better prices from the dealers who competed for the supply; and it was owing to the growers' representations that the Privy Council relaxed the law in 1616 to the extent of allowing wool staplers to purchase wool between Michaelmas and shearing-time ⁵. In 1624 free trade in wool was established and restrictions on wool dealers were removed ⁶. In the debate in Parliament it was urged that clothiers should have the right of pre-emption, but the proposal was rejected on the ground that "the rich clothiers will then cull out the best wool and leave the residue only to the poor clothiers" ⁷. The agitation against 'wool broggers' was renewed after the Revolution. Petitions were presented to Parliament complaining that they retailed the wool "at excessive rates to the impoverishing of the clothing trade and the ruin of many poor labourers therein" ⁸. They made

¹ *Acts of the Privy Council*, 1580-1581, p. 193; 1581-1582, p. 48; 1590, pp. 168-169.

² *Hist. MSS. Comm. Kenyon*, 595 (1588).

³ *House of Commons Journals*, i. 552, 627.

⁴ A wool dealer in 1599 stated that he had paid £200 in licences: *Hist. MSS. Comm. Various* iii. 96.

⁵ *Acts of the Privy Council*, 1615-1616, p. 624. Unwin, *Industrial Organization*, 189, treats this measure as a restriction on the middleman due to "the pressure of the manufacturing interests". But the ordinance clearly shows that it was a concession to the middleman in the interests of the wool growers.

⁶ *Statutes*, iv. part ii. 1239. For a discussion of this Act, see *State Papers Domestic*, 1630, p. 408.

⁷ *House of Commons Journals*, i. 552, 625, 627.

⁸ *Ibid.*: x. 590 (1691); xi. 424, 717 (1696); xii. 91, 122, 150 (1698).

a profit of 10 per cent. on the wool they bought : " which is an hardship upon the manufacturer and forces him to sell his goods at a proportionable rate ". Parliament, however, declined to intervene : the wool grower might sell his wool " to any chapman [dealer] he shall think fit to deal with " ¹. The refusal indicated that the legislature, in this direction as in others ², was throwing to the winds the cherished economic traditions which had inspired the industrial and commercial legislation of an earlier epoch.

For the marketing of his goods the clothier, unless he was a merchant exporter ³, relied upon agents at Blackwell Hall known as factors. Blackwell Hall ⁴, the greatest cloth market of the kingdom, consisted—according to a description written in 1706 ⁵—" of commodious storehouses and different apartments ⁶ for the lodging and harbouring of cloth and other woollen commodities brought from the several counties of England, and there sold either by the maker himself or by his factor : so that 'tis reckoned without vanity or ostentation the most noted market for cloth in all the world. To this place or market do merchants, woollen drapers and other traders in cloth resort on the market days. . . . Thursday morning is the chief market time, for then the waggoners and carriers from the several counties bring in the cloth ". The fees for ' pitching ' and warehousing the cloth went to Christ Church Hospital. The clothiers in the adjoining counties repaired in person to London for the sale of their cloth ⁷, and it was apparently for their convenience that the market was held on fixed days of the week ⁸—a system disliked by the merchants who

¹ *House of Commons Journals*, xii. 277 (1698).

² *Infra*, vol. iii. 288.

³ *Cf. Parliamentary Papers* (1802-3), v. 262.

⁴ For its early history, see *supra*, vol. i. 464-465.

⁵ Haynes, *A View of the Present State of the Clothing Trade in England*, 87-88.

⁶ These apartments, known as ' halls ', were assigned to different localities, e.g. Gloucestershire, Somersetshire, Worcestershire, Suffolk, Wiltshire, Reading, etc., and there were also a Northern Hall and a Manchester Hall : *State Papers Domestic*, James I., vol. cxxviii. 73-77.

⁷ *State Papers Domestic*, 1634-1635, p. 487 ; 1640, p. 634.

⁸ In 1604 the hours appointed were Thursday 1-4 P.M. ; Friday 8-11 A.M., and 1-4 P.M. ; Saturday 8-11 A.M. : *By the Mayor. Orders set down for Blackwell Hall.* a James I. In 1631 Thursday 8-11 A.M. was added : *An Act of Common Council touching bringing of Commodities to Blackwell* [contd.]

wished to be free to replenish their stock at any time ¹. The regulations of Blackwell Hall came to be evaded by the sale of cloth 'out of the market' by factors ²; and a writer likened the neglect of Blackwell Hall, in its evil consequences, to the opening of Pandora's box: "Hereby the maker hath been dispossessed of the sale of his own goods and trained up a servant to become his master" ³.

*The
factors.*

The factors fulfilled the same function in the final stages of the woollen industry which the wool staplers served in the early stages. They were the middlemen who thrust themselves between the manufacturers and their customers, the drapers or wholesale dealers ⁴; and they were bitterly denounced as parasites on the industry. They were commonly looked upon as 'a mushroom growth'—'not pen-feathered with the wings of time'—who sprang up during the Civil War and consolidated their position during the Plague and the Fire of London ⁵: yet there is evidence to show that they were in existence at an earlier date ⁶. An order of the common council of London, 1623, stated that "the clothier by himself or his household servant heretofore hath used to make his own sales to the merchant or draper to his profit and good content. But *now of late* divers persons have cunningly interposed themselves to deal as factors and brokers between the merchant, draper and clothier" in

Hall. In 1697 the hours were fixed by Parliament at 8 A.M. to noon, and 2-5 P.M. on Thursday, Friday and Saturday: *Statutes*, vii. 199.

¹ *The Interest of England . . . considered in a Dialogue between Sir T. Flourishing and T. Castdown* (1701), 11.

² *Statutes*, vii. 199 (1697); *Reasons for preserving the Public Market of Blackwell Hall*; W. S., Gent., *The Golden Fleece* (1656), 81-82.

³ *The Languishing State of our Woollen Manufacture humbly represented to the Parliament.*

⁴ The packers also acted as intermediaries between clothiers and merchants: *The Clothiers Complaint* (1692), 5; *The Interest of England considered in an Essay upon Wool* (1694), 25; *The Beaux Merchant: A Comedy. By a Clothier* (1714), 4, 38.

⁵ *A Treatise of Wool and the Manufacture of it* (1685), 17; *The Clothiers Complaint* (1692), 4; *The Beaux Merchant: A Comedy. By a Clothier* (1714), 43; *The Present Case of our English Wool.*

⁶ Their origin is post-dated in Westerfield, *Middlemen in English Business*, 296 (They "established themselves in the business of Blackwell Hall about 1660"); and in Friis, *Alderman Cockayne's Project*, 22, note. ("Their activity only dates from the latter half of the seventeenth century . . . we never hear of such factors at the beginning").

Blackwell Hall, thereby advancing the price of cloth "at ^{their} their pleasure". In consequence of complaints made by ^{origin.} the clothiers of Worcester and Reading, brokers and factors were forbidden to 'intermeddle' at Blackwell Hall between clothiers and merchants or drapers for any cloth made in Worcestershire or Berkshire ¹. In the same year a letter of the lord mayor and court of aldermen expressed approval of the action taken by the commissioners for trade for reforming abuses by factors: "a kind of people aiming only at their own profit, and who had begotten all the complaints which had been made by clothiers, merchants and drapers concerning trade. Until there were factors they were all quiet; and they did, even when taken at their best, rather harm than good. If left to themselves the inconveniences they occasioned would be insufferable" ². There was a great outcry against the factors near the end of the seventeenth century, when it was said that "they have brought the trade to that pass there shall not now be a cloth sold in a market-day at Blackwell Hall by many of our clothiers if these men have not the selling of it" ³. Intended originally to assist West Country clothiers and Yorkshire merchants in selling their cloth in London on commission—for clothiers who lived in distant parts could not afford the time to journey to London and remain there while the cloth was being sold—they raised themselves to be "the chief masters of the clothing trade" ⁴. They sold the cloth, it was alleged, at a lower price than that fixed by the clothier, they detained his money, they gave him no information when and where his cloth was sold ⁵.

The root of the mischief was the long credit which the

¹ *Commune Concilium tentum in Camera Guildhald* (1623). In 1637 the collectors of taxes in Shropshire paid in the money to two drapers in Shrewsbury, who undertook to pay the same in London by their factors in Blackwell Hall: *State Papers Domestic*, 1636-1637, p. 569. There is mention of a factor in 1643: *ibid.* 1641-1643, p. 506.

² *Remembrancia of the City of London*, 526. They are also referred to in 1662: *ibid.* 76-77.

³ *A Treatise of Wool and the Manufacture of it* (1685), 17. This is a revised edition of a pamphlet issued in 1677 under the title, *A Treatise of Wool and Cattel*.

⁴ *Reasons of the Decay of the Clothing Trade. By a Well-Wisher* (1691), 6.

⁵ *The Trade of England Revived* (1681), 10-14.

*Evils of
long credit.*

clothiers were forced to give to the drapers, the standard rule being six months, and even nine, twelve and fifteen¹. This was a serious imposition on the clothier, who was required to possess a much larger capital than otherwise was necessary. "In former days a clothier was reckoned to be able to keep one broad loom well employed with £50 if he bought his yarn; or if he made his cloth out of the wool with £100, which now is not to be done with £300 in this way of trade; and the clothier", who received ready money, "turned his stock three times in those days for once now"². The merchant profited by the extended credit which the factors allowed him—"with one thousand pounds from your friends you can have two thousand pounds credit at Blackwell Hall"—though the price of cloth was said to be increased 'by these unnecessary attendants'³. The credit system gave rise to another evil: the clothiers, having no ready money, were obliged to purchase their wool from the factors who thus usurped the functions of wool brokers⁴. This, indeed, was declared to be the object with which the factors instituted the practice of long credits, and they were charged with making a 'corner' in Spanish wool in the same way as the wool staplers engrossed the supplies of native wool⁵. The factors rejoined that they enabled 'the middling and small clothiers' to carry on their trade, "which they now do in great measure by the wool and moneys the factors advance upon credit of their cloths upon hand unsold (without consideration) which, if the factor should withdraw, the clothier must stand still unless his goods are sold and money received"⁶. As a result of handling large funds, and monopolizing the sale of cloth, the factors grew rich. They started almost from nothing—"no more being required to set up a factor than an ink-box and

¹ *The Clothiers Complaint* (1692), 9.

² *Ibid.* 9.

³ *The Beaux Merchant: A Comedy. By a Clothier* (1714), 25-26.

⁴ *The Interest of England considered in an Essay upon Wool* (1694), 26; *House of Commons Journals*, xii. 277.

⁵ *Reasons of the Decay of the Clothing Trade. By a Well-Wisher* (1691), 6; *The Clothiers Complaint* (1692), 5, 9; *The Interest of England considered in an Essay upon Wool* (1694), 26; *Reasons for restraining the Factors of Blackwell Hall from dealing in Spanish and English Wool*.

⁶ *The Blackwell Hall Factors Case*.

two quires of paper " ¹—and accumulated fortunes of " five and ten thousand pounds, and some of them forty and fifty thousand pounds a man " ². While the clothiers, it was said, " lived poorly and got little or nothing, the merchants have lived splendidly and laid up money " ³.

The clothiers considered it intolerable that they should be exploited by their own agents, and invoked the aid of Parliament for their relief. An Act was passed in 1697 compelling the factor to demand notes of hand (bills) from his customers for the use of the clothier ⁴. The merchants pronounced the Act to be impracticable. " Suppose I buy sixty cloths per week, what an endless uncomfortable fatigue will it be for me to give sixty notes, and these notes it may be to sixty clothiers. Now these notes shall be . . . perhaps separated into most parts of England : do you not think, then, it must be a very entertaining diversion for me to be always at home or keep a man on purpose to be always ready with money in his hand to pay these notes ? . . . With what ease did we buy your goods of the factor before this Act. We could then pay him £600 or £1000 at one payment ". They also represented the danger that the notes given by the merchant, and circulated by the clothier, might be dishonoured owing to the debtor's defalcation against which the factor in London could more easily guard than the distant creditor ⁵. The sequel to the Act is related in a pamphlet written in 1739 ⁶: " For a little while this Act had its desired effect ; these notes were immediately returned to the clothier, who carried them to market for wool, etc., and by that means made them answer in trade almost as well as cash itself. The factors, thus stripped of the most valuable part of their business, immediately concerted such measures as rendered the whole Act in-

¹ *Reasons of the Decay of the Clothing Trade. By a Well-Wisher* (1691), 9.

² *A Treatise of Wool and the Manufacture of it* (1685), 17.

³ *Britannia Languens* (1680), 148 (in sect. vi.).

⁴ *Statutes*, vii. 200.

⁵ *The Interest of England . . . considered in a Dialogue between Sir T. Flourishing and T. Castdown* (1701), 12.

⁶ *The Case between the Clothiers and Weavers* (Smith, *Chronicon Rusticum-Commerciale*, ed. 1747, vol. ii. 311-312) ; *The Gentleman's Magazine*, ix. 89, 126.

effectual, and put it in their power to tyrannize over the clothiers as much as ever. This was done by tampering with those of the trade whose circumstances were most precarious, who—induced by the promise of a speedy sale for their goods prior to those of any other maker—were easily prevailed upon to forgo the advantage of the notes granted them by Parliament. This fatal precedent being once set, the factors instantly exacted a like compliance from all the rest ; and if any refused, not one piece of their cloth was sold. By which means, being obliged to keep their workmen employed in the interval, their whole stock [capital], though ever so large, was exhausted ; and the more stock they had, the more it became their interest to truckle to their old oppressors, and again take off their wool on what terms they pleased.”

*Functions
of the
factors:*

The factor was something more than a commission agent : indeed, as the amount of his commission was three, four or five shillings per cloth ¹, he evidently owed his prosperity to his ‘ by-trade ’. He was a merchant trading on his own account, usually as a seller of wool, although he also sometimes figured as a seller of cloth, which he either bought from the clothier—making “ the best market of the clothier ” instead of “ the best market for the clothier ”—or employed ‘ journeymen clothiers ’ to manufacture for him ². Criticism of his activities, whether as agent or merchant, continued in the eighteenth century ³, but he maintained his position. He fulfilled indispensable functions since he not only sold the clothiers’ cloth for them in the London market, but advanced them money on which interest was paid while the goods lay on his hands unsold ⁴. It may be observed, finally, that factors existed in other branches of industry. Yarranton brings charges against the London

¹ D. S., *The State of the Difference between the Clothiers and the City of London*, 6.

² *Ibid.* 5 ; *The Clothiers Complaint* (1692), 5 ; *The Interest of England . . . considered in a Dialogue between Sir T. Flourishing and T. Castdown* (1701), 22.

³ E.g. Smith, *Chronicon Rusticum-Commerciale* (ed. 1747), li. 310 seq. Their profits on Spanish wool and their financial methods are among the grievances enumerated.

⁴ *Reports from Committees of the House of Commons*, li. 69 (1744).

factors who "deal for caps", similar to those brought against the cloth factors ¹.

The principal groups among the manual workers in the textile industries were four in number, namely, weavers, spinners, wool-combers, and cloth-finishers.

The weavers ² in the West Country were not independent producers, but worked for hire on material supplied by the capitalist. They contracted with the clothier to weave the yarn which he delivered to them into cloth of a certain size : they carried it to their homes and did the work under their own roofs : when the cloth was woven they took it back to their employer and received the price of their labour. This is essentially the wage system, since the weavers had no property in the goods they manufactured. But although they did not own the material, they usually owned the instruments of production ³ in contradistinction to the modern factory operative whose instruments are the property of his employer. In later times it was apparently exceptional for a weaver to hire his loom ⁴, yet the practice was common at an earlier period ⁵. Where the loom was owned by the clothier the work was not necessarily carried on in his own workshop ; the weavers worked on the hired loom in their homes and paid a small quarterly rent ⁶ ; they lost, however, all economic freedom when they became tied to one employer. The price of a loom varied : some cost two, three or four guineas, others as much as eight or nine guineas ⁷.

¹ *England's Improvement* (1677), 162. There were also factors in provincial towns : *ibid.* 98-99.

² The tradition of the weavers traced the origin of their craft to Naamah 'sister was to Tubal Cain' : *The Triumphant Weaver* (1682).

³ *Parliamentary Papers* (1802-3), vii. 38. But the employer might supply the reeds and gears used in the loom for each class of work : Unwin, Hulme and Taylor, *Samuel Oldknow and the Arkwrights*, 46.

⁴ *Parliamentary Papers* (1802-3), vii. 321.

⁵ It was sanctioned in London in 1300, and forbidden at Norwich in 1511. The Weavers' Act of Philip and Mary alludes to the 'unreasonable rents' exacted. See *supra*, vol. i. 479-480 ; *infra*, Appendix, p. 471, No. 5.

⁶ *Transactions of the Devonshire Association*, viii. 331. In Wiltshire, in 1603, it was forbidden to "keep any looms going in any other house" than that of the owner : *Hist. MSS. Comm. Various*, i. 75.

⁷ *Parliamentary Papers* (1802-3), vii. 41, 289, 321. The price of a broad loom in Scotland in 1681 was £5 : Scott, *Records of a Scottish Cloth Manufactory at New Mills*, p. lxxxviii.

The Weavers' Act of 1555 limited weavers who lived outside the old urban centres of industry to two looms¹, but the restriction was not generally observed²: some weavers kept as many as five or six looms under their roofs³. Two narrow looms were considered the equivalent of one broad loom, and weavers very commonly had both kinds in their houses. The complaint was sometimes made that the clothiers preferred to give their work to those who had the most looms, "while those who have only one or two going can get none"⁴; and this jealousy among the weavers explains the demand occasionally put forward for the enforcement of the Act⁵.

Weavers
serve
different
employers.

The weavers, as a rule, did not confine themselves to one master; they sometimes took work from three, four, even five clothiers at once⁶. The system had many advantages from the point of view of the weavers. They had their names on the books of several employers, and if trade were dull with one, they might find work with another; they could also pick and choose what kind of work they pleased, for example, weavers preferred to make the fine cloth which was better paid, and when 'chains'⁷ were plentiful they were able to refuse the coarse work; and it heightened their feeling of independence to have more than one string to their bow. But the system was inconvenient to the employer. When weavers applied for 'chains' to three or four masters at once, the work was much delayed; instead of being returned in fourteen days, it was sometimes kept a month or six weeks⁸. Moreover when trade was brisk the clothier had no staff of workmen upon whose services he could rely exclusively; on this account some masters, who had a regular trade and could employ their men the whole time, made it a rule not to employ any weavers who did not confine themselves to their service⁹.

¹ *Supra*, vol. i. 479-480. ² *Parliamentary Papers* (1802-3), vii. 338.

³ *Ibid.* 266.

⁴ *Ibid.* 61.

⁵ *House of Commons Journals*, xix. 181.

⁶ *Ibid.* xxvii. 731. *Parliamentary Papers* (1802-3), v. 247; (1802-3), vii. 38, 379, 383.

⁷ The 'chain' was the warp.

⁸ *Parliamentary Papers* (1802-3), vii. 252, 302, 383.

⁹ *Ibid.* 38.

It is difficult to determine the earnings of weavers. In *Earnings of weavers*. the first place, the evidence is scanty and most of it comes from the eighteenth century. In the second place, a weaver was paid by the piece, and piece-rates depended upon the character of the cloth ; this explains the variations between one district and another, and within one and the same district. In the third place, the piece-rates do not represent the net earnings of a weaver—he was paid a gross sum from which various deductions had to be made for the cost of the materials used in the manufacture of the cloth, such as glue, candles and the rest. In the fourth place, the time expended on weaving a piece of cloth depended upon circumstances which were often beyond the weaver's control, for instance, the quality of the yarn and the condition of the weather. In the fifth place, the weaver was not assured of constant employment, and to determine his wages we ought to be better informed than we are as to the average amount of unemployment year by year. Lastly, it is not enough to state the 'nominal' wages of the weaver ; we must also know what were his 'real' wages, that is, the purchasing power of the money he received ; but the purchasing power of money at different periods constitutes one of the most elusive problems in economic history, and vague generalizations on this point are more misleading than illuminating^{1a}. We have said enough perhaps to show the difficulty of any investigation in this subject, and the care which must be exercised in interpreting whatever material is available¹.

In the year of the Armada a Yorkshire weaver was earning barely fivepence a day, and a century later his wages had scarcely risen in spite of the advance in prices due to the influx of American silver. In a trial of 1676 it was asserted that "weavers of cloth can hardly earn fivepence a

^{1a} For workers' budgets, see *infra*, p. 392, notes 3 and 4.

¹ The rolls of an English nunnery (*temp.* Hen. VI.) throw some light upon the wages paid to artisans in the cloth-making industry in the fifteenth century. "Paid to Roger Rede . . . for hiring him to weave 77 ells of woollen cloth for the livery of the servants 3s. 5d. Paid to a certain shearman for shearing the same cloth, 14½d. Paid to the wife of John Howedelowe for fulling the said cloth 3s. 5d.": *Hist. MSS. Comm.* ii. 120. Assuming that the weaver did ten to eleven ells a week (as in the eighteenth century : *Parliamentary Papers* (1802-3), vii. 8, 12-13) his wages would amount to about sixpence a week.

*Wages in
the seven-
teenth and
eighteenth
centuries.*

day . . . and find themselves meat, though they be strong and able to work" ¹. The wages of weavers were sometimes no higher at this period in other parts of the country. At any rate, the ballad of *The Clothier's Delight* charged the clothiers with paying their weavers only sixpence a day :

"We will make [them] to work hard for sixpence a day,
Though a shilling they deserve if they had their just pay" ².

In the early part of the eighteenth century the wages of weavers were represented at seven to ten shillings a week ³. In the middle of the century a parliamentary committee was informed that an industrious weaver, with wife and child, earned thirteen to eighteen shillings a week ; with the aid of an experienced apprentice he earned eighteen shillings ⁴. According to Arthur Young who made his famous tours through England in the years 1767 to 1770 ⁵, wages varied generally from seven to nine shillings, though at Witney they rose to twelve shillings ⁶. All these statements as to the weekly earnings of weavers must be read in conjunction with estimates of the prices paid for weaving a piece of cloth, since piece-rates are the basis upon which weavers' wages ought to be calculated. But to interpret the evidence of piece-rates we must know how much time was required to weave a piece of cloth, and the net earnings of the weaver as distinguished from his gross receipts. Two to three weeks was the usual period for weaving thirty to thirty-four ells of cloth ⁷. Much depended upon the quality of the yarn ;

¹ Heaton, *The Yorkshire Woollen and Worsted Industries*, 115. For the wages paid at a Scottish factory in the last quarter of the seventeenth century, see Scott, *Records of a Scottish Cloth Manufactory at New Mills*, p. xxiii.

² *Infra*, vol. iii. 250. Some weavers earned more : cf. *infra*, p. 56.

³ *House of Commons Journals*, xxi. 292 (c. 1720) ; *The Golden Fleece* (1739), 7 ; *The Gentleman's Magazine*, ix. 85-86, 205.

⁴ *House of Commons Journals*, xxvii. 731 (1757). *A State of the Case . . . relating to the . . . Rising of the Weavers in the County of Gloucester* (1757), 15.

⁵ *The Autobiography of Arthur Young* (ed. Betham-Edwards), 44, 49, 53.

⁶ Young, *Tour through the Southern Counties* (ed. 1772), 70, 72, 76, 144, 200, 338-339, 341. *Tour through the North* (ed. 1771), i. 138 ; iii. 135. *Tour through the East* (ed. 1771), ii. 75. The average earnings are given as 7s. (for inferior cloth) and 8s. (superfine) in *Propositions for Improving the Manufactures . . . of Great Britain* (1763), 31.

⁷ *Parliamentary Papers* (1802-3), vii. 8, 12, 13, 265. In 1729 it was stated that two men were occupied a month in weaving a cloth for the

[contd.]

if the thread were badly spun it was constantly breaking, and the weaver wasted considerable time in tying knots. When the chain was a good one the weaver sometimes accomplished his task in eight or nine days ; when the chain was a bad one, the weaver might work at it more than a fortnight ; but the average time was about fourteen days ¹. The weaver was paid a gross sum from which numerous deductions had to be made for expenses—glue, bobbins, quilling, candles in winter-time, wear and tear of the harness and loom ; altogether these expenses were reckoned at about 20 per cent.². Summarizing the evidence, it would appear that in the later eighteenth century a weaver received the gross sum of 40s. to 44s. or the net sum of 31s. to 35s.³ for work which occupied him between two and three weeks. These figures, however, do not tell us even approximately the average weekly earnings of the weaver the year through, for there were times in the year when he was out of employment and, unless he worked with the fly shuttle (which only came into general use towards the close of the eighteenth century) ⁴, he needed either a hired assistant—a journeyman or an apprentice—or the help of his wife or child ⁵.

The journeyman weaver constituted the third grade of The journey-men weavers. textile producers. The broad distinction between the clothier and the master weaver was that the former owned the material, the latter the instruments of production. The journeyman weaver, on the other hand, owned neither the one nor the other ; he was merely the assistant of the master weaver, working on the master's looms and as a rule under the master's roof ⁶. The number of journeymen employed by a weaver depended upon the number of looms which he kept. Before Kay invented the fly shuttle, two persons were required to work a broad loom—the master

Turkish market : *House of Commons Journals*, xxi. 292. The English ell = 45 inches (*Oxford English Dictionary*). *Infra*, Appendix, p. 472, No. 1.

¹ *Parliamentary Papers* (1802-3), vii. 265, 316, 319 ; (1806) iii. 336.

² *Ibid.* (1802-3), vii. 20, 320-321.

³ *Ibid.* (1802-3), vii. 28, 320.

⁴ Lipeon, *The History of the Woollen and Worsted Industries*, 182-183.

⁵ For women weavers, see *supra*, vol. i. 359-362.

⁶ *Parliamentary Papers* (1806), iii. 337, 341. The clothier had no dealings with him : *ibid.* (1802-3), vii. 318 ; *Report on the Hand-loom Weavers* (1841), x. 2.

weaver and a journeyman, attended by a child as quill-winder; but often the weaver's wife or daughter, or an apprentice, supplied the place of a journeyman¹. In some districts the master weavers outnumbered the journeymen weavers; at the end of the eighteenth century two villages in Gloucestershire contained twice as many master weavers as journeymen². A man might remain a journeyman weaver all his life³, or set up as a master weaver without having served as a journeyman⁴.

*Term of
engage-
ment, and
method of
payment.*

The journeyman weaver was sometimes engaged for a single warp⁵, that is, for the manufacture of one piece of cloth. There are indications of an older system by which the journeyman was engaged for fixed periods; and it was one of the objects of the Statute of Apprentices (1563) to introduce stability into the relations of masters and men by enacting that no person shall be taken into service "to work for any less time or term than for one whole year"⁶. The practice of annual engagements was not unknown in Yorkshire as late as the nineteenth century⁷, but it must have been superseded very early in most textile districts. The traditional method of payment among journeymen weavers engaged on piece-work was 'the third part of the cloth', that is, one-third of the price received by the master from the clothier for weaving the cloth. It is curious to observe how this ratio of one-third persisted through the centuries: it is described as the 'customary' method of payment already in the fourteenth century⁸, and it still survived in some cases four hundred years later⁹. Where the journeyman was placed in control of the weaving and worked at the head of the loom with a young assistant, he was entitled to fivepence out of every shilling¹⁰. The sevenpence

¹ *A State of the Case . . . relating to the . . . Rising of the Weavers in the County of Gloucester* (1757), 20.

² Owlpen and Uley: *Parliamentary Papers* (1806), iii. 337.

³ A witness informed a parliamentary committee in 1757 that he had been a journeyman weaver for thirty years: *House of Commons Journals*, xxvii. 731.

⁴ *Parliamentary Papers* (1802-3), vii. 75.

⁵ *Ibid.* (1802-3), vii. 240; (1806) iii. 15.

⁶ *Statutes*, iv. part i. 415.

⁷ *Infra*, p. 77.

⁸ *Supra*, vol. i. 409.

⁹ *Parliamentary Papers* (1806), iii. 338.

¹⁰ *A State of the Case . . . relating to the . . . Rising of the Weavers in the County of Gloucester* (1757), 20.

or eightpence retained by the master weaver was not net profit: the journeyman could not work the broad loom single-handed and his assistant, who was often an apprentice, had to be maintained by the master: the quill-winder was also entitled, as a rule, to a penny in the shilling: and there were other incidental expenses—candles, sizing, and wear and tear of the loom¹. When these various deductions are taken into account, it would seem that a master weaver found small profit in hiring journeymen². After the introduction of the fly shuttle the piece-rates were increased, as the journeyman could now work the loom unaided and the work was more laborious; hence he was paid sevenpence in the shilling³. In addition to his piece-rate earnings the journeyman received 'small beer, lodging and firing', where he had no home of his own. This was called his 'privilege' and was valued in the middle of the eighteenth century at a shilling a week⁴. Altogether, in the West Country, a journeyman in constant employment earned on the double-handed loom, exclusive of his 'privilege', about a shilling a day, and for this he worked fourteen or fifteen hours⁵; but with the subsequent adoption of Kay's invention he was able to earn better wages. When the journeyman weaver had acquired by his industry a loom of his own he was then able to set up as a master weaver.

Apprentices occupied the lowest place in the hierarchy of textile workers. The mediaeval guilds had sought to regulate the institution of apprenticeship in accordance with two principles: a fixed period of servitude, and the limitation of numbers. We must see how far these principles were maintained after the Middle Ages⁶.

The normal period of apprenticeship was seven years. This was the recognized custom of London even at an early

¹ *A State of the Case . . . relating to the . . . Rising of the Weavers in the County of Gloucester* (1757), 20.

² *Parliamentary Papers* (1802-3), vii. 61.

³ *Ibid.* 28. In the nineteenth century he received 8d. or 9d.: *Report on the Hand-loom Weavers* (1841), x. 2, 39.

⁴ *House of Commons Journals*, xxvii. 731; *Parliamentary Papers* (1802-3), vii. 10.

⁵ *House of Commons Journals*, xxvii. 731.

⁶ On the general question of the legal enforcement of apprenticeship, see *infra*, vol. iii. 283 *seq.*

*Term of
apprentice-
ship*

date, and it gradually spread throughout the country until the Statute of Apprentices (1563) made it the law of the land¹. In the seventeenth and eighteenth centuries seven years still remained the authorized term for indentured apprentices², but shorter or longer periods were common. In 1714 an apprentice bound himself to a weaver for four and a quarter years, and still shorter terms were not unknown³; at the other end of the scale we hear of parish apprentices who served sixteen years⁴. The period of seven years was more general among wool-combers and cloth-finishers than among weavers⁵, since the former were better organized and could therefore maintain more successfully a rule which protected them against the invasion of unskilled labour. Attempts were also made to standardize the age at which an apprentice should complete his time of servitude. The Statute of Apprentices ordered that the term of an apprentice should not expire until he attained the age of twenty-four 'at the least'⁶. The intention was apparently to ensure that the apprentice should be "grown unto the full knowledge of the art that he professed," and "to avoid young marriages and the increase of poor people"⁷. This harmonized with the anxiety of the masters to postpone the emancipation of their servants as long as possible, but it clashed with the interests of the journeymen who wished to avoid the competition of cheap labour⁸. A very young apprentice—and parish apprentices were sometimes taken at the age of seven⁹—was only able to assist in the preparatory processes; and the weavers of Norwich were expressly forbidden to receive

¹ *Supra*, vol. i. 314; and *infra*, vol. iii. 279.

² *Proceedings of the Suffolk Institute of Archaeology*, viii. 17; *Parliamentary Papers* (1802-3), vii. 4, 8, 9.

³ *Victoria County History, Gloucestershire*, ii. 161; *Parliamentary Papers* (1806), iii. 299; *ibid.* (1802-3), v. 305.

⁴ *Parliamentary Papers* (1806), iii. 102.

⁵ *House of Commons Journals*, xlix. 322; *Parliamentary Papers* (1802-3), vii. 121, 193; *The Speech of Randle Jackson on behalf of the Cloth-workers* (1806), 70.

⁶ *Statutes*, iv. part i. 419.

⁷ *Supra*, vol. i. 309; *Hist. MSS. Comm. Various*, i. 75 (1603); *Parliamentary Papers* (1802-3), vii. 4.

⁸ For a conflict at Leeds over this question, see Lipson, *The History of the Woollen and Worsted Industries*, 126-127.

⁹ *Infra*, vol. iii. 435.

apprentices under fourteen years old on the ground that boys of ' tender and young age ' were not strong enough to work at the loom¹. Twelve or thirteen was the usual age for an apprentice among weavers, and fourteen among cloth-finishers².

Whether a term of seven years was really necessary in the textile industries became a burning question. In the case of weaving one view was that a lad " should be took to the loom for about an hour or two in the day, that he may get a knowledge of it gradually ". Others held that a boy of common capacity could learn weaving, including dressing the warp and fixing it on the loom, in six months. " Respecting persons learning in a manufacturing country ", said a Gloucestershire clothier, " you do not speak of an instance of a savage from the woods or a porter taken out of London streets, but you speak of persons taken out of the country who know something of the trade. There is hardly a child who does not know something of the trade ; he knows the nature of yarn, he puts his hand to one thing or another, and there is hardly a boy who does not put his hand to every part that he can " ³. In the case of cloth-finishing the argument in favour of a long apprenticeship was that shearmen required, not only skill to use the instruments, but judgment as to the cloth on which they worked ; and that the master was entitled to lengthy periods of service as recompense for his trouble in teaching apprentices his art ⁴.

The extent to which the system of apprenticeship was in operation during the eighteenth century is uncertain. Sometimes it was complained that weavers employed too many apprentices. The Act of 1555 limited weavers living in country districts to two apprentices⁵, but the law was not observed ; and we find the justices of Gloucestershire, in complete ignorance of the existence of the Act, saying in 1728 that " for want of a law to limit the number of appren-

¹ *Supra*, vol. i. 315.

² *Parliamentary Papers* (1802-3), vii. 4, 148 ; (1806), iii. 367.

³ *Ibid.* (1802-3), vii. 4, 233, 251, 383 ; (1802-3), v. 305-308.

⁴ *Ibid.* (1802-3), vii. 148.

⁵ *Statutes*, iv. part i. 287.

*Arguments
for and
against
long
apprentice-
ship.*

*Survival of
apprentice-
ship.*

tices taken by weavers and others . . . their number is so increased that the trade is not sufficient to employ and maintain them " ¹. Master weavers owning more than one loom were willing to take apprentices since they were cheaper than journeymen, and boys apprenticed by the parish were generally placed in their charge because they could be put out to weaving younger than to other trades. The weavers were ready to take them for a small premium and provide for them until they were out of their time. The speculation sometimes turned out an unlucky one, for they had to support their apprentices whether trade was good or bad ². Yet while some weavers transgressed the rule limiting the number of apprentices, others ignored the institution altogether ³. After the Revolution Parliament was besieged with complaints of its non-observance ⁴; and the fact that legal enforcement of the system had become rare made it easy for outsiders to 'intrude' themselves into the cloth manufacture whenever a sudden expansion of trade called for an increased supply of labour. This was notably the case in the early part of the nineteenth century, when agricultural labourers flocked into the towns and overcrowded the hand-loom weaving industry ⁵: but we are concerned here with the working of the system in normal times rather than its legal aspect in abnormal times. If we based our conclusions upon evidence laid before parliamentary committees, we should infer that technical training was the exception rather than the rule in the eighteenth century. It would seem that the majority of clothiers were not even aware that they could be punished for employing workmen who had not served a legal apprenticeship ⁶. One clothier at the end of the eighteenth century expressed the opinion that if the Statute of Apprentices " were carried into effect, a very great part of the trade of

¹ *House of Commons Journals*, xxi. 153.

² *A State of the Case . . . relating to the . . . Rising of the Weavers in the County of Gloucester* (1757), 3; *Parliamentary Papers* (1802-3), vii. 69.

³ Complaint was made in 1669 by W. Carter in his *England's Interest Asserted*. See *infra*, Appendix, p. 472, No. 2.

⁴ *Infra*, vol. iii. 288, note 4.

⁵ *Report on the Hand-loom Weavers* (1841), x. 40.

⁶ *Parliamentary Papers* (1802-3), vii. 141. An attorney became a clothier without being apprenticed: *ibid.* (1802-3), vii. 189.

the county of Gloucestershire must be lost, as a very great proportion of the weavers at present employed have not been apprenticed". In his own case he employed at one establishment about seventy-five weavers, out of whom five only had been apprenticed in accordance with the Statute; at another establishment he employed about eighty-three weavers, out of whom sixteen had been apprenticed¹. "In the employment of workmen no questions are ever asked" as to whether they have served an apprenticeship, nor "any difference of price or wages made between apprenticed and non-apprenticed workmen"².

Approached from a non-legal standpoint these statements are not so conclusive as they appear. Whether the formalities of the law were duly observed is a matter of legal, not economic, significance. The eighteenth-century weaver did not trouble himself about the technicalities of the law of apprenticeship, but there was a well-understood difference between a 'legal' and an 'illegal' workman. A legal workman was a man who served round about seven years at a trade before he set up for himself³. It was immaterial whether he was regularly 'indentured' or not⁴, that is, whether a legal document was drawn up and his name enrolled in official registers, provided he was taught by someone who knew the trade⁵. In fact a man was regarded as 'legally brought up' if he had never worked at any other occupation, unless in agriculture at harvest-time⁶. It would seem, therefore, that the system of technical training held its ground successfully in normal times⁷; and the opinion of the trade stigmatized as an unlawful workman anyone who set up on his own without having worked under another's

¹ *Parliamentary Papers* (1802-3), v. 245-246, 306-307; (1802-3), vii. 260.

² *Ibid.* (1802-3), v. 307-309.

³ *Ibid.* (1802-3), vii. 8, 196, 200.

⁴ According to Blackstone, this came to be the view taken even in the law courts: see *infra*, vol. iii. 281.

⁵ *House of Commons Journals*, xlix. 322; *Parliamentary Papers* (1802-3), vii. 30, 196, 200. This was 'parole' apprenticeship, as distinguished from 'indentured': *Considerations upon a Bill for repealing the Code of Laws respecting the Woollen Manufacture* (1803), 7. 16, 45-46.

⁶ *Parliamentary Papers* (1806), iii. 95.

⁷ *House of Commons Journals*, xlix. 322; *Parliamentary Papers* (1802-3), vii. 181.

control for a lengthy period. None the less apprenticeship was deprived of its legal sanction, for Parliament after the Revolution steadfastly refused to put into operation the old Elizabethan machinery¹. The moral sanction alone remained, and its weakness manifested itself when the factory system was established. Trained workmen were then unable to resist the invasion of unskilled and ill-paid labourers, who swamped the textile industries, and dragged down with fatal results the textile workers' standard of life. The disintegration of the apprenticeship system in its legal form paved the way for its dissolution in its economic form when the factory owners, indifferent to the claims of technical workmanship, sought only to buy their labour in the cheapest market.

*Change in
the social
character
of appren-
ticeship.*

Apprenticeship not only lost its legal guarantees in the eighteenth century, but its social character underwent a change. It was an essential feature of the mediaeval system that the apprentice should reside with the master, whose duty it was to instil social virtues into the boy as well as to teach him knowledge of a craft. A Jacobean writer described the 'ordinary services' of an apprentice in these terms: "He goes bareheaded, stands bareheaded, waits bareheaded before his master and mistress, and whiles as yet he is the youngest apprentice he doth perhaps (for discipline sake) make old leather over-night shine with blacking for the morning, brusheth a garment, runs of errands, keeps silence till he have leave to speak"². Yet as early as 1603 a new development was foreshadowed in the case of a Wiltshire clothier, who had two apprentices and did "not give these apprentices no meat, drink, neither apparel, but [did] give them money by the year, twenty shillings apiece, and out of this twenty shillings the boys' mother do give their master every year ten shillings forth of this money because the journeyman shall not beat them"³. In the eighteenth century it became an increasing practice, except in respect of parish apprentices, to pay the boy

¹ *Infra*, vol. iii. 287. An individual contract, of course, could be enforced.

² *The Cities Advocate* (1629), 26-27.

³ *Hist. MSS. Comm. Various*, i. 71.

wages in lieu of board and lodging¹. A contract in which 'Colting'. an apprentice bound himself to a Gloucestershire weaver stipulated that he should 'find himself' in food, drink, lodging and apparel, and might go home every Saturday to Monday. His wages were to be—"out of every shilling made by his master 2½d. in the first year, 3d. the second and third years, 4d. the fourth year"². This closely resembles the journeyman system, and shows that the institution of apprenticeship was passing through a period of transition in which the relations of master and apprentice were being reconstituted on a basis of wage-contract, a cash nexus supplying the place of the parental bond. It is significant that these early examples of the transformation of the apprenticeship system come from the West Country, where industrial capitalism had almost completely captured the woollen industry, but the change was not confined to the West Country. The Hostmen of Newcastle complained in 1704 that "the trading brethren of this Company were much discouraged by several ill-disposed brethren who . . . did give great wages to their apprentices . . . so that the brethren who formerly used to have thirty or forty pounds with an apprentice cannot procure a servant without wages"³. This modified form of apprenticeship was sometimes known as 'colting': boys were 'colted' to learn their trade for a certain period without being bound by indenture, and were paid wages which were raised as they grew older⁴. At the end of the eighteenth century it was said to be "universally the custom in the clothing counties"⁵, and it was especially in vogue among the cloth-finishers where a great number of boys were employed. They were taken generally at the age of fourteen under an agreement, either written or verbal, that they would stay with their master for a fixed period—shearmen served seven years in Wiltshire and five

¹ The payment of a small salary, in addition to board, was not unknown in the sixteenth century: *supra*, vol. i. 309.

² 1714: *Victoria County History, Gloucestershire*, ii. 161.

³ *Records of the Hostmen* (ed. Dendy), 165.

⁴ *Parliamentary Papers* (1802-3), vii. 253; *The Speech of Randle Jackson on behalf of the Cloth-workers* (1806), 66, 70.

⁵ *Considerations upon a Bill for repealing the Code of Laws respecting the Woollen Manufacture* (1803), 55, note.

or six years in Gloucestershire before they became journeymen¹—and they began at four shillings a week, with an annual increase of sixpence, so that in their seventh year they earned seven shillings a week².

Spinning. The spinning of yarn was generally the work of women and children³. The chronicler relates of Edward the Elder that "he sette his sonnes to scole, and his daughters he sette to woll werke, takyng example of Charlys the Conquestour"⁴; and Langland's exhortation in *Piers the Plowman* shows that spinning was regarded in mediaeval England as the natural employment of women :

"Wives and widows : wool and flax spinneth ;
Maketh cloth, I counsel you, and kenneth so your
daughters ".

In mediaeval houses an apartment was sometimes reserved as a family spinning room⁵. Often the work was carried on in the open air. Celia Fiennes in her travels through England 'on a side saddle' encountered spinners "at their wheels out in the street and lanes as one passes"⁶; and in the Highlands, where the use of the distaff^{6a} survived as late as the nineteenth century, a traveller would meet "girls herding on the hill-side and busily spinning with the distaff"⁷. Spinning occupied all the leisure moments of those engaged in it; the hours were therefore very long, though the work was light. One of the traditions of North Germany contains a warning against spinning on Saturday evening. It tells of a woman who appeared after her death to a fellow-culprit, displaying her burning hand with the words :

¹ *Parliamentary Papers* (1802-3), vii. 136, 139, 148, 166, 193.

² *Ibid.* 139, 143, 154.

³ *House of Commons Journals*, xlix. 600; Defoe, *Tour of Great Britain* (ed. 1725), ii. Letter i. 47. For children, see *infra*, p. 62. Also cf. *infra*, Appendix, p. 472, No. 3.

⁴ Fabyan, *The New Chronicles of England and France* (ed. 1811), 176.

⁵ Wright, *A History of Domestic Manners*, 482.

⁶ *Through England on a Side Saddle*, 119 (*temp.* William and Mary).

^{6a} See *infra*, Appendix, p. 472, No. 4.

⁷ *Transactions of the Gaelic Society of Inverness*, xii. (1886), 400. For other references to the late survival of the distaff, see Dyer, *The Fleece* (1757), bk. iii. 87; *Proceedings of the Society of Antiquaries of Scotland*, ix. (1873), 549; *ibid.* N.S. iii. (1881), 148 *seq.*; Eden, *The State of the Poor* (1797), i. 559; Gray, *A Treatise on Spinning Machinery* (1819), 30.

" See what I in Hell have won
Because on Saturday I spun " ¹.

One day in the Calendar of Saints was named St. Distaff's Day. It was the morrow after Twelfth Day, and it closed the season of Christmas festivities :

" If the maids a-spinning go,
Burn the flax and fire the tow " ².

Some of the spinners worked on their own : they bought the raw material, spun it into yarn, and then carried it to the market for sale. In the early part of the seventeenth century these independent spinners still held their own ³, but though they survived throughout the seventeenth and eighteenth centuries ⁴, spinners as a rule worked for hire on their employers' material. In the North and West of England the employers were mainly clothiers : in the East they were largely master combers, who put out the wool to be combed and then passed it on to the spinners : and lastly, dealers in wool sometimes set up as yarn-makers or ' market spinners ', and employed spinners to manufacture the wool into yarn ⁵. The spinners were scattered over the whole countryside in innumerable villages, hamlets and dispersed cottages, and ' spinning houses ' or ' pack-houses ' were established in the villages for the distribution of the wool. The village shop often served as the pack-house, and the wool was conveyed to it by carriers or ' packmen ' : hither the spinners repaired for their material and returned it after it was spun into yarn ⁶. Spinning was thus essentially

*Organiza-
tion of the
spinning
industry.*

¹ *Archæologia*, xxxvii. 91-92.

² Herrick.

³ *Supra*, pp. 2-3.

⁴ *State Papers Domestic*, 1625-1649, p. 519; Westcote, *A View of Devonshire in 1630* (ed. 1845), 61; *Newcastle Merchant Adventurers* (ed. Boyle and Dendy), i. 174; Young, *Tour through the North* (ed. 1771), iii. 135; *Transactions of the Devonshire Association*, viii. 330.

⁵ Clothiers : Defoe, *Tour of Great Britain* (ed. 1725), ii. Letter i. 41-42. Wool-combers : *House of Commons Journals*, xi. 22; Kirby, *A Letter to a Member of Parliament* (1787), 21-22. Market spinners : *State Papers Domestic*, 1633-1634, p. 150; *House of Commons Journals*, xxiii. 89; *Annals of Agriculture*, ix. 313.

⁶ *House of Commons Journals*, xxii. 805; xxiii. 89; xxxix. 971; Kirby, *op. cit.* 21-22; Defoe, *op. cit.* ii. Letter i. 41-42. The women in country districts brought the yarn to market in the farmers' waggons : *Remarks upon Mr. Webber's Scheme* (1741), 22.

a 'cottage' industry, and the clothiers and wool-combers were able to draw for their supply of labour upon a very extensive area—for instance, the manufacturers of Colchester employed spinners within a radius of thirty miles¹; and the ledger of a clothier at Ashburton in Devonshire, covering the years 1783–1801, shows that he was supplied with chains from as many as thirty-eight places, including Tiverton, Exeter and Plymouth². The worsted industry of Norwich and Norfolk was fed with yarn not only by the eastern counties—Suffolk, Cambridge, Bedford and Hertford—but also by Yorkshire and even Westmorland³.

*Defects of
hand-
spinning.*

Hand-spinning had several defects. The spinner often lacked skill⁴, and produced yarn which was neither uniform in quality nor firm enough to stand the strain of the loom; as a result the cloth was uneven in texture. The Suffolk clothiers drew attention to the evil as early as 1575: "The custom of our country is to carry our wool out to carding and spinning, and put it to divers and sundry spinners who have in their houses divers and sundry children and servants that do card and spin the same wool. Some of them card upon new cards and some upon old cards, and some spin hard yarn and some soft . . . by reason whereof our cloth falleth out in some places broad and some narrow contrary to our mind and greatly to our disprofit"⁵. In the seventeenth and eighteenth centuries similar statements show that the lapse of time had failed to effect any material improvement⁶. "One obvious evil in this family work", said a manufacturer, "was the teaching of the children; and in sorting our yarns we not only met with whole hanks clumsily spun, but—not seldom—good and bad reeled in the same hank. This rendered the sorting of yarns a vexatious process"⁷.

¹ *House of Commons Journals*, xiii. 720 (1702).

² *Transactions of the Devonshire Association*, viii. 331.

³ James, *History of the Worsted Manufacture*, 252–253.

⁴ There were some remarkable individual performances: Anderson, *Report . . . on Shetland Wool* (1790), Appendix iv. 29.

⁵ *Victoria County History, Suffolk*, ii. 258.

⁶ Yarranton, *England's Improvement* (1677), 46. (Also next note.)

⁷ James, *op. cit.* 312. "A practised spinner," remarked Graunt (1662), "shall spin a pound of wool, worth 2s., for 6d.; but a learner, undertaking it for 3d., shall make the wool indeed into yarn, but not worth 12d.": Petty, *Economic Writings*, ii. 354.

As many as ten hands might be employed on a single chain, and being irregularly spun the thread easily broke, so that the weaver wasted much time in repairing broken threads ; further, the uneven quality of the yarn affected the sale of the cloth ¹. The difficulty of exercising proper supervision over the spinners was heightened by the system under which the yarn was collected. Most of the spinners were poor, and could not wait for payment until they had executed the whole of the work on which they were engaged. They therefore brought the yarn to the pack-house in small quantities and were paid by instalment : fraudulent or indifferent spinners were thus enabled to deliver inferior work without detection ² by the manufacturers, to whom the yarn was sent at intervals in great quantities. Moreover the village shopkeeper, who usually acted as the agent of the clothier or wool-comber, could not be relied upon to employ only good hands ; he could not afford to offend a customer by refusing her work ; he was paid a small commission for his services, and had no interest in scrutinizing too closely the workmanship of those upon whom he depended for his custom ³. To remedy the spinners' deficiency in technical skill, it was proposed to establish spinning schools where children could be taught the art of spinning by experienced teachers. In 1633, for example, the magistrates of Peebles resolved to have spinning taught to the children of burgesses by a qualified mistress ⁴ ; and the idea was advocated by Yarranton (1677), who held up the example of other states for the admiration of his countrymen ⁵.

A very serious defect was the irregularity of the supply. In spite of the multitude of spinners they were unable to furnish weavers with the necessary quantity of yarn. "There are not hands enough in England", it was said in 1718, "to

Irregularity of supply.

¹ It made the cloth 'cockle' : *State Papers Domestic*, 1598-1601, p. 503 ; *Parliamentary Papers* (1802-3), vii. 301.

² *House of Commons Journals*, xxxix. 971.

³ James, *History of the Worsted Manufacture*, 311-312, 324.

⁴ Scott, *Records of a Scottish Cloth Manufactory at New Mills*, p. xxxiv. See *infra*, Appendix, p. 472, No. 5.

⁵ *England's Improvement*, 45. In 1618 it was proposed that expert spinners should give instruction at "any gentleman or yeoman's house in the country that desireth to have them to teach their wife, children, or servants" : *Hist. MSS. Comm.* v. 566.

spin all the wool that must be used in our manufactures" ¹. It is estimated that one loom gave work to half a dozen spinners or more ², and the progress of the textile industries was checked by a yarn famine. In farming districts the spinning was largely done in the winter, and here the weavers experienced grave difficulty in carrying on their work during the summer months ³. A great part of the weavers' time was thus consumed in waiting for work. Their difficulties were aggravated after Kay's invention of the fly shuttle in 1733 increased the productive power of the weaver. Moreover the intermittent nature of the supply forced the makers "to calculate for a larger profit" ⁴. The adoption of machinery in spinning, towards the end of the eighteenth century, was stimulated by vivid experience of the shortcomings of the old hand-yarn manufacture.

Embezzlement.

Another complaint against the spinners was that they embezzled the wool, entrusted to them, by fraudulent reeling of the yarn. As a remedy the Company of Worsted Weavers in Norwich in the early seventeenth century authorized its members to seize any yarn on sale, which was defective in length or number of threads ⁵. This caused friction with the master combers and yarnmen (dealers in yarn); and in 1662 the master weavers of Norwich obtained an Act empowering them to 'view and search', seize and exact fines for all defective yarns ⁶. Thirty years later the wool-combers, who employed the spinners in the eastern counties, complained to Parliament that the weavers had abused their powers "by rifling waggons at their inns and on the road, by plundering the wool-combers themselves on the road, and breaking open their houses and carrying away what they please" ⁷.

¹ *House of Commons Journals*, xviii. 707.

² Radcliffe, *Origin of Power-loom Weaving* (1828), 60. Another estimate is four spinners: Bischoff, *History of the Woollen and Worsted Manufactures*, i. 185.

³ James, *History of the Worsted Manufacture*, 311-312; Guest, *A Compendious History of the Cotton Manufacture* (1823), 12.

⁴ *Wool encouraged without Exportation. By a Wiltshire Clothier* (1791), 68.

⁵ *State Papers Domestic*, Addenda, 1625-1649, p. 422; 1629-1631, pp. 22, 120, 175, 444.

⁶ *Statutes*, v. 371.

⁷ *House of Commons Journals*, xi. 22 (1693). The wool-combers petitioned in 1689, and again in 1693, to be incorporated, in order to enjoy the same powers as the weavers: *ibid.* x. 188; xi. 22, 95.

These practices were stigmatized by the House of Commons as 'arbitrary, illegal, and an abuse to the subject' ¹. A century later the whole question was re-opened when Parliament received petitions from manufacturers in the North and East of England, complaining of frauds in the spinning of yarn by short reeling, and praying for power to nominate inspectors ². Individual manufacturers were unwilling to expose themselves to the resentment of their workpeople by prosecuting them for fraud. Accordingly the Worsted Act of 1777 empowered the worsted makers of the North (Yorkshire, Lancashire and Cheshire) to appoint a committee with inspectors for the detection and prosecution of embezzlement ³. In later years similar powers were given to other parts of England ⁴.

One explanation of defective spinning and fraudulent reeling was the low rates of remuneration. This was recognized by Elizabethan statesmen: "Necessity doth partly enforce them thereunto for lack of sufficient wages and allowance for their workmanship at the hands of the clothier" ⁵—an excellent illustration of the economic maxim that cheap labour is dear labour. In the seventeenth and eighteenth centuries England's greatest industry rested largely on the basis of sweated labour; and though practised spinners might be better paid, a large portion of the spinning population received only a meagre pittance. Evidence was given at a Yorkshire trial under Charles I. showing that "the poor that spin the wool, though they work very hard, cannot gain 4d. a day towards their living . . . the majority earn 2d. or 3d." ⁶. According to a writer in 1677, two spinners could spin in one day three-quarters of a pound of thread 'worth twelvepence per pound spinning' ⁷. Arthur Young, nearly a

*Earnings
of
spinners.*

¹ *House of Commons Journals*, xi. 95 (1694).

² *Ibid.* xxxvi. 85, 95, 113; xxxix. 921, 971; xl. 78, 611, 615, 866, 876; xlv. 139, 160. These petitions cover the years 1777-1790.

³ *Statutes at Large*, viii. 498.

⁴ Suffolk (1784), Leicestershire, Lincolnshire and neighbouring counties (1785), Norfolk and Norwich (1791): *ibid.* ix. 361, 519; xii. 171.

⁵ Bland, Brown and Tawney, *English Economic History: Select Documents*, 337.

⁶ 1638: *Victoria County History, Yorkshire*, ii. 415.

⁷ Harford, *Proposals for . . . a Working Alms-House* (1677) in *Harleian Miscellany* (ed. Malham), viii. 121; *Some Considerations for Employing the Poor of this Kingdom. By a member of the House of Commons* (1737). 7. See *infra*, Appendix, p. 473, No. 1.

century later, stated that women at Leeds earned 2s. 6d. or 3s. a week ; girls thirteen or fourteen years old, 1s. 8d. ; boys of eight or nine, 2½d. a day ; a boy of six, 1d. a day. Similar figures are noted for other northern centres, except that at Kendal women were paid 4s. 6d. or 5s. in the linsey-woolsey manufacture. In the South and East the nominal earnings of a spinner were 6d. a day, sometimes only 4d. ; at Witney ' a good stout woman ' could earn 10d. to 1s. a day and a girl of fourteen 4d. or 5d. a day—spinning was perhaps more highly remunerated here on account of the manufacture of blankets. In the West women were said to earn 5d. to 6d. a day¹. Earnings were not uniform throughout the year. In some places " labourers' wives seldom spin more than a pound a week in winter ", for which they received at most 16d. but sometimes only 9d.².

Exploitation of spinners.

In most cases, no doubt, the earnings of a spinner were intended to serve, not as her only source of income, but as an addition to the family income. " The pay is not much ", said a Lancashire woman, " but it helps to boil the pot " ³. " A woman ", wrote Fitzherbert in the sixteenth century, " cannot get her living honestly with spinning on the distaff, but it stoppeth a gap " ⁴. Nevertheless, many women and children had to depend upon their scanty earnings for their daily subsistence, and even the trifling sum gained by a spinner, after working twelve hours a day, was liable to be reduced under various pretexts. The wool-combers in East Anglia were said to deduct two, three and even four pence out of every shilling. " After a poor woman has been labouring twelve hours to earn sixpence by spinning and reeling half a pound of wool . . . the putter-out of wool or packman, by the order of his master, deducts three half-pence or twopence

¹ Young, *Tour through the North* (ed. 1771), i. 139 ; iii. 134-135, 248 ; *Tour through the East* (ed. 1771), ii. 75 ; *Tour through the Southern Counties* (ed. 1772), 70, 76, 144, 200. See also *The Golden Fleece* (1739), 7 ; Kirby, *A Letter to a Member of Parliament* (1787), 16 ; *Hist. MSS. Comm. Stopford-Sackville*, i. 257 ; *The Gentleman's Magazine*, ix. 205 ; Defoe, *A Plan of the English Commerce* (ed. 1728), 91 ; *Prospects on the Rubicon* (1787), 39 ; *Propositions for Improving the Manufactures . . . of Great Britain* (1763), 31 ; *Annals of Agriculture*, ix. 523 ; x. 273 ; xiii. 189 ; xv. 261.

² Eden, *The State of the Poor* (1797), iii. p. cccxliii.

³ Cooke Taylor, *Notes of a Tour in Lancashire* (1842), 29.

⁴ *The Book of Husbandry* (1534), ed. Skeat, p. 96.

out of that hard-earned pittance", on the pretext of 'the dullness of trade' or 'the custom of the trade'¹. "It is a business", wrote one of Arthur Young's correspondents, "conducted in so shameful a manner as to call loudly for the attention of Government"². Another method of exploitation was to use false weights in weighing out material, for instance, eighteen or twenty ounces would be reckoned to the pound³. This mode of defrauding spinners and combers was a legacy of mediaeval times, and municipal and parliamentary regulations alike were ineffectual in checking the practice⁴. In addition the spinners were often paid truck wages^{4a}. "The dealers frequently, instead of prompt payment in money, oblige the spinners to take goods at an extravagant price by way of barter, contrary to the laws now in being; whereby the poor people are much oppressed, and consequently the yarn not so well spun as it should be, and the serges not so good as formerly, which hath of late occasioned the returning of many pieces from abroad"⁵. To these various modes of oppression the spinners were powerless to offer any effective resistance; they were unorganized and their weakness laid them open to exploitation.

Two other classes of artisans engaged in the woollen industry merit notice: the wool-combers and the cloth-finishers⁶. The wool-combers were in a superior position to

¹ Kirby, *A Letter to a Member of Parliament* (1787), 9, 16, 21-22; *Annals of Agriculture*, viii. 439.

² *Annals of Agriculture*, xiii. 426.

³ *House of Commons Journals*, xxiii. 89 (1738).

⁴ *Supra*, vol. i. 482.

^{4a} See *infra*, vol. iii. 277.

⁵ *House of Commons Journals*, xxiii. 89 (1738).

⁶ Three other groups of textile workers were the dyers, the fullers, and the scribblers. Fulling was generally performed at a fulling mill where the cloth was beaten by hammers worked by water-power. In the North of Scotland the old method of fulling (treading or 'walking' the cloth with the feet) continued to survive: Pennant, *A Tour in Scotland and Voyage to the Hebrides*, 1772 (ed. 1774), 285; *Transactions of the Gaelic Society of Inverness*, xii. (1886) 402. Scribbling was a kind of preparatory carding intended to separate the fibres of the wool. According to one account, "they used to work in bodies, and very close together, and on wool that from the oil and smell became quite obnoxious. They were a poor, sickly, decrepit race of beings. . . . They used to earn 8s. or 9s. a week": *Parliamentary Papers* (1802-3), vii. 308.

Wool-combers.

the weavers¹. Their numbers were limited, since it was the usage to keep but two apprentices who served seven years²: their work demanded greater skill: and they were not tied to one particular locality. Hence they were better remunerated and could resist capitalist encroachment more successfully. They were not only able to hold their own, but they also gave laws to their masters³; and their consciousness of power led them to adopt a dictatorial attitude in their dealings with their employers. The ordinary relations of capital and labour were seemingly reversed in the case of the wool-combers: labour held the whip hand over capital, and the masters complained bitterly of a position from which they found no escape until the adoption of machinery in the second quarter of the nineteenth century.

Their mobility.

The most striking feature in the condition of the wool-combers was their itinerant character. No class of workmen appears to have attained more nearly the economist's ideal of mobile labour, for they were accustomed to travel about the country from place to place in search of employment⁴. One reason for this roving life was that many of them were single men⁵ able to indulge the wandering habit; and when work was scarce in their native town, they were not compelled to accept low wages in order to save themselves from starvation. During their wanderings they were kept by the institution to which they belonged, for the combers' union preferred to support its members in idleness rather than submit to a reduction of wages. When a wool-comber set out on his journeys he received from his club a certificate, or 'blank' as it was called⁶, which testified that he was a member of the union, had behaved himself well, and was an

¹ The reputed inventor and patron saint of combing was Bishop Blaize, in whose honour processions were held: Polwhale, *History of Cornwall* (1803), bk. ii. chapter vii. 14; *The Gentleman's Magazine*, xliii. 384; Chambers, *Book of Days*, i. 219.

² *House of Commons Journals*, xlix. 322 (1794).

³ *A Short Essay upon Trade in General: By a Lover of his Country* (1741), 40. Written by T. Cowper: *infra*, vol. iii. p. 398.

⁴ *House of Commons Journals*, xlix. 323-324.

⁵ *Ibid.* 395.

⁶ Dunsford, *Historical Memoirs of Tipton* (1790), 205 (note 93).

honest man¹. This certificate entitled him to relief from every wool-combers' society affiliated to his branch throughout England², and enabled him to "travel the kingdom round, be caressed at each lodge, and spend not one farthing of his own, or strike one stroke of work"³—yet anyone convicted of fraud forfeited his claim to the certificate and the privileges which it conferred⁴. The estimates of wool-combers' wages are various. A writer in 1739 reckoned their earnings at 12s. a week; Young placed them as low as 7s. at Norwich but as high as 14s. at Lavenham and Sudbury, and the average at 13s.; a worsted manufacturer in Nottinghamshire stated in 1794 that the average wages paid to them seldom exceeded 10s. per week "solely from their refusing to do more work"⁵.

The cloth-finishers were sometimes known as 'cloth-workers', 'cloth-dressers', 'shearmen' and 'croppers'. Cloth-finishers. The distinctive feature of this class, as well as of the scribblers⁶, was that their work was not carried on at home, as in the case of carders, spinners and weavers, but was done in a workshop⁷. Their industry was not a cottage industry: they worked together in large bodies, three men and one boy being employed on a piece of cloth⁸. They represent a stage in economic evolution in which the workshop, not the home, is the basis of industrial society; thus their position foreshadowed the development of the factory system.

The cloth-finishers were employed in different ways. How employed. Sometimes they were engaged by a master dresser, as he was called, who worked for the clothiers on commission,

¹ *House of Commons Journals*, xlix. 324.

² Dunsford, *Historical Memoirs of Tiverton* (1790), 205 (note 93).

³ Cowper, *A Short Essay upon Trade in General* (1741), 40.

⁴ *House of Commons Journals*, xlix. 324.

⁵ *The Golden Fleece* (1739), 7. Young, *Tour through the East* (ed. 1771), ii. 75; *Tour through the Southern Counties* (ed. 1772), 64, 70, 72, 76, 339. *House of Commons Journals*, xlix. 395. In London they earned 12s. to £1 : 1s.: Campbell, *The London Tradesman* (1747), 200.

⁶ See *supra*, p. 51, note 6.

⁷ *The Gentleman's Magazine*, ix. 205. The fine drawers, who removed defects and repaired the damaged parts of the cloth after it was dressed, sometimes did the work in their own homes: *Parliamentary Papers* (1806), iii. 398.

⁸ *Parliamentary Papers* (1802-3), vii. 132, 299, 308. See *infra*, Appendix, p. 473, No. 2.

and kept as many as forty or fifty men and boys¹. At other times they were employed by the clothier himself under his own roof². Deloney's account of Jack of Newbury represents the establishment of the great clothier as housing shearmen, rowers, fullers and dyers³; and in Yorkshire the merchant, who bought the cloth in an unfinished state from the clothier, often assumed direct responsibility for the final processes of the manufacture⁴. This attempt of the clothiers and merchants to seize into their hands all the branches of the cloth manufacture was strenuously resisted by the master shearmen and dyers. There was a dispute at Reading in 1589 between the clothiers and dyers, in which the Government was forced to intervene⁵; and the cloth-dressers of Leeds complained to Parliament in 1725 that several merchants and clothiers had "assumed to themselves the trade and business of a cloth-dresser"⁶. At the end of the eighteenth century the West Riding was said to contain about five hundred master dressers, and between five and six thousand journeymen and apprentices⁷. The earnings of the workmen varied considerably: in 1739 they were estimated at eight to twelve shillings, but they appear to have risen greatly in the latter half of the century⁸.

*Idealized
picture
of the
domestic
system.*

The domestic system of industry is often painted in vivid colours⁹. It is attractive, no doubt, to contemplate the artisan working in his own home, in the midst of his family, a free agent, not subject to the discipline of the factory bell, but at liberty to work or to play as the inclination seized him¹⁰. The realities of industrial life did not,

¹ *Parliamentary Papers* (1802-3), vii. 125, 181, 212; (1806), iii. 297, 300.

² *The Gentleman's Magazine*, ix. 205.

³ Lipson, *The History of the Woollen and Worsted Industries*, 47.

⁴ *Infra*, p. 88.

⁵ *Supra*, vol. i. 484.

⁶ *House of Commons Journals*, xx. 423-424.

⁷ *Parliamentary Papers* (1806), iii. 289.

⁸ *The Gentleman's Magazine*, ix. 205 (1739). They were 14s. to 15s. in the West Country, according to *Propositions for Improving the Manufactures . . . of Great Britain* (1763), 31. See also Young, *Tour through the North* (ed. 1771), i. 135, 138; iii. 134.

⁹ For an idealized picture, see Gaskell, *Artisans and Machinery* (1836), 12 *seq.*

¹⁰ "We can leave our looms any hour o' t' day," says a character in Haslam, *The Hand-loom Weaver's Daughter*, 31.

however, always correspond to the idyllic picture sometimes presented. The domestic system, as it existed in the West of England, had many defects.

Defects of the domestic system in the West.

To begin with : employers and employees were already divided by the barrier of wealth and social status, and their relations were marred by chronic disputes over wages. (i.) *Industrial friction.* Dean Tucker wrote in a strain which we are more apt to associate with the nineteenth than with the eighteenth century : " As the master is placed so high above the condition of the journeyman ¹, both their conditions approach much nearer to that of a planter and slave in our American colonies than might be expected in such a country as England ". The master is " tempted by his situation to be proud and overbearing, to consider his people as the scum of the earth, whom he has a right to squeeze whenever he can ". The journeymen are equally tempted " to get as much wages and to do as little for it as they possibly can ", and to look upon their master " as their common enemy with whom no faith is to be kept. The motives to industry, frugality and sobriety are all subverted by this one consideration, viz. that they shall always be chained to the same oar and never be but journeymen " ². When the Commissioners for Trade and Plantations deplored (1696) ' the dearness of labour ', and argued that labour must be cheap in order to keep the foreign market ³, they revealed the fundamental divergence of interests between capital and labour. This divergence—which is as old as the wage-earning class itself—produced, as we shall see, a widespread trade union movement ⁴.

Under the domestic system the hours of labour were very long. " A shepherd ", remarked Adam Smith ⁵, " has a great deal of leisure, a husbandman . . . some, an artificer or manufacturer has none at all " ⁶. We are told by a (ii.) *Long hours of labour.*

¹ In this passage the term journeyman should be taken to refer to wage-earners generally.

² *Instructions* (ed. 1757), 25.

³ *House of Commons Journals*, xi. 594. There were frequent complaints of the ' dearness of labour ' : e.g. *ibid.* xxiii. 109. Cf. *infra*, vol. iii. 273.

⁴ *Infra*, vol. iii. 386 *seq.*

⁵ *The Wealth of Nations* (ed. Cannan), ii. 192.

⁶ For the use of the term ' manufacturer ', see *supra*, p. 14.

seventeenth-century writer that "many a poor weaver sits at his loom from four in the morning till eight, nine, ten at night, but to get seven, eight or ten shillings a week for a livelihood"¹. In the middle of the eighteenth century fourteen hours, including meals, constituted a normal working day, while some weavers toiled as much as fifteen or sixteen hours a day². At Witney, in Oxfordshire, weavers 'in brisk times' worked from four in the morning to eight at night³. A Wiltshire weaver told a parliamentary committee, which was investigating the conditions of the woollen industry in 1803, that "in winter we work as much by the candle as by daylight. I have worked from five to seven at night in winter, and from four to nine in summer", that is, fourteen hours a day in winter, seventeen in summer. He was asked :

"How long would you be able to do that? — As long as God Almighty gives me strength.

"But He will not give you more strength than your frame was originally intended for?—I have done it for years.

"Do others do that?—I hardly know anybody but what does; the greatest part of the inhabitants do that"⁴.

*Irregular-
ity of
work.*

The hours of labour were not only long but also irregular. In frosty weather weaving was at a standstill, for if the yarn were dressed, or sized as it was called, on a very cold day it spoilt in the drying⁵; and "in very hot dry weather they cannot make a piece of cloth from Spanish wool so good in appearance by nearly two shillings a yard"⁶. Again, some weavers were addicted to intemperance and their freedom from control gave them the means of indulgence whenever they pleased. The result of a drinking bout

¹ J. C., *The Weaver's Pocket-Book or Weaving Spiritualized* (1675), 84.

² Report of a parliamentary committee in 1757: *House of Commons Journals*, xxvii. 731.

³ With two hours for meals: Young, *Tour through the Southern Counties* (ed. 1772), 144; *Annals of Agriculture*, ix. 538.

⁴ *Parliamentary Papers* (1802-3), vii. 87, 379-380.

⁵ *Ibid.* 69, 93.

⁶ Bakewell, *Observations on the Influence of Soil and Climate upon Wool* (1808), 23.

was to delay their work and cause them to weave at a feverish pace the remainder of the week¹. Yet even for the sober industrious workman the hours were unduly long, and afforded scanty opportunity for education or recreation. Thus the long hours worked under the early factory system were no novelty, but a legacy from an older industrial system; and to this day excessive hours have survived in those industries which are carried on at home². Moreover, the weavers often lived a long way from the clothier's house. Some weavers had six miles or more to go, and six to come back, in taking home and returning their work³. This wasted the weaver's time, especially since he served more than one employer. "I have known the time", said a weaver, "when we have lost six days in going backward and forward after work"; and he estimated the usual amount of time lost in fetching and carrying back work as "two days' work at the least"⁴. As to the nature of the weaver's occupation, it must be remarked that hand-loom weaving in itself was not necessarily an unhealthy occupation—although weavers, prior to the introduction of the fly shuttle, were liable to breast disorders—but it was tedious and laborious⁵. The invention of machinery did not destroy craftsmanship in the textile industries, for most of the work was already mechanical in character even before the adoption of mechanical devices⁶. The processes of carding, combing, spinning, weaving and dressing, consisted in the monotonous repetition of certain movements of the hand, and afforded little or no scope for the expression of individuality in which lies the justification of true craftsmanship. The erection of factories subjected the worker to a novel and strict discipline, but it had its compensation in the shorter and more regular hours which were ultimately imposed by the State; and it

*Nature of
textile
processes.*

¹ Houghton, *Husbandry and Trade Improv'd* (ed. 1728), iv. 384 (1683); *The Weavers Pretences Examin'd. By a Merchant* (1719), 12; Bell, *Essays on Agriculture* (1802), 287.

² Hand-loom weavers worked fourteen to seventeen hours a day as late as 1840: *Report on the Hand-loom Weavers* (1840), xxiii. 409, 458, 462, 540.

³ *Parliamentary Papers* (1802-3), vii. 40, 73-74, 189; (1806), iii. 335.

⁴ *Ibid.* (1806), iii. 336.

⁵ This is admitted by Gaskell, *Artisans and Machinery* (1836), 24.

⁶ Cf. Chapman, *The Lancashire Cotton Industry*, 82-83.

was preferable that textile processes should be carried on in large airy buildings, as they were later, rather than in crowded tenements where the same room had often to serve as workshop and living place.

*Hours of
labour in
other occu-
pations.*

Long hours of labour were not confined to textile workers¹. The Statute of Apprentices² (1563) laid down that "all artificers and labourers being hired for wages by the day or week shall, betwixt the middle of the months of March and September, be and continue at their work at or before 5 of the clock in the morning and continue at work and not depart until betwixt 7 and 8 of the clock at night, except it be in the time of breakfast, dinner or drinking: the which times at the most shall not exceed above two hours and a half in the day, that is to say, at every drinking one-half hour, for his dinner one hour, and for his sleep when he is allowed to sleep—the which is from the middle of May to the middle of August—half an hour at the most, and at every breakfast one-half hour. And all the said artificers and labourers between the middle of September and the middle of March shall be and continue at their work from the spring of the day in the morning until the night of the same day, except it be in time afore-appointed for breakfast and dinner, upon pain to lose and forfeit one penny for every hour's absence, to be deducted . . . out of his wages that shall so offend"³. Petty assumed, for the purpose of his calculations, that "labouring men work ten hours *per diem*"; but another writer (1700) remarked—"No country but Great Britain can boast that after twelve hours' hard work its natives will in the evening go to football, stool-ball, cricket, prison-base, wrestling, cudgel-playing, or some such vehement exercise for their recreations"⁴. The hours of labour (including meal times) varied in different occupations: we find tailors working twelve to fifteen hours, shipwrights and nailers twelve,

¹ Shearmen worked twelve hours a day: *Parliamentary Papers* (1802-3), vii. 115, 307.

² *Statutes*, iv. part i. 416-417.

³ The journeymen tailors appealed to this Statute in 1721 when they protested against having "to work fifteen hours per day": Galton, *Select Documents: The Tailoring Trade*, 8.

⁴ Petty, *Economic Writings*, i. 110; Puckle, *England's Path to Wealth and Honour* (1700), 25; Chamberlayne, *Anglia Notitia* (ed. 1700), 48.

frame-work knitters ten, cutlers nine ¹. When an apprentice to a London founder applied for his freedom in 1764, his master objected that he had not served him faithfully, "having refused to work longer than from six in the morning until eight o'clock in the evening; whereas he ought to have worked until nine o'clock". The court decided that the usual hours were from six to eight, and admitted him to his freedom ². Campbell gives a long list of occupations carried on in London in which the hours were mostly from six to eight or nine ³. But working hours were not standardized in any industry, and according to circumstances they might be longer or shorter. In addition to regulating hours of labour, the State instituted a monthly holiday. During the Civil War an 'Ordinance of the Lords and Commons' provided that every second Tuesday in the month was to be a day of 'recreation and relaxation' for scholars, apprentices and other servants; and shops and warehouses were to be closed ⁴.

In the eyes of the employer the most serious defect of the domestic system was the embezzlement of raw material. (iii.) *Embezzlement of material.* It was a constant complaint in the Middle Ages that carders and spinners and weavers appropriated the wool given out to them ⁵; and in later centuries the evil was in no way mitigated. Detection was difficult, and the numerous laws against embezzlement failed to check the practice ⁶. In 1774 a committee of the House of Commons investigated the complaints of the clothiers ⁷, and its report throws a curious light upon the methods practised by textile workers ⁸. It was stated in evidence that pickers of wool could embezzle

¹ Tailors: *infra*, vol. iii. 404 *seq.* Shipwrights: *State Papers Domestic*, 1663-1664, p. 530. Nailers: *Victoria County History, Worcestershire*, ii. 272. Knitters: Felkin, *A History of the Machine-Wrought Hosiery*, 451. (They rose near the end of the eighteenth century.) Cutlers: *House of Commons Journals*, xxviii. 497.

² Williams, *The Founders' Company*, 154.

³ *The London Tradesman* (1747), 331 *seq.*

⁴ 1647: *Acts and Ordinances of the Interregnum*, i. 954, 985.

⁵ *Supra*, vol. i. 472.

⁶ In Scotland the penalty was very severe: cf. the verses printed in *The Ulster Journal of Archaeology*, v. 108.

⁷ *House of Commons Journals*, xxxiv. 414.

⁸ *Ibid.* xxxiv. 451-452. See also *supra*, pp. 48-49.

one pound or more in twenty, their usage being to " throw the wool upon wet stones whereby it impregnates the water, and they bring it home full weight " : in the case of spinners, " their method of fraud is by holding the yarn over a boiling pot, whereby the steam impregnates with the yarn, and the clothier loses half a pound in six pounds : with respect to the weavers, they can keep back five or six pounds of yarn—which, if Spanish, is worth 4s. 6d. or 5s. a pound—out of every piece of cloth containing 30 ells and weighing 60 lbs., and which fraud cannot be discovered as the cloths are always brought home wet " ¹. The Act of 1774, one of a long series, endeavoured to check these practices ². One reason for the prevalence of embezzlement is to be found in the low wages paid by the clothiers. Those who with difficulty kept body and soul together by working excessively long hours, spinning wool or weaving cloth, were tempted to eke out their miserable pittance by methods to which they may often have been driven by sheer pressure of want. An Act of Parliament passed in 1512, ' against the deceitful making of woollen cloth ', contained a clause forbidding clothiers to pay truck wages ³; and some clothiers, at any rate, recognized the connexion between embezzlement and low wages when they opposed laws against embezzlement unless accompanied by provisions for a fair wage. Fraudulent practices were also doubtless encouraged by the disputes between employers and workmen over the length of the warping bars and the uncertainty of the weights by which yarn and other materials were delivered out ⁴. Embezzlement was common in many other industries : linen, cotton, iron, watch-making, boot-making, glove-making and tailoring ⁵. In the hosiery trade there were at one period more than a hundred and twenty

¹ A clothier in 1803 stated that ten shillings' worth of material was embezzled upon every cloth : *Parliamentary Papers* (1802-3), vii. 344.

² *Statutes at Large*, viii. 342.

³ *Statutes*, iii. 28. There was another Act in 1610 : *ibid.* iv. part ii. 1164.

⁴ The Act of 1726 fixed the size of the warping bars, and ordered the weight of wool to be at the rate of 16 oz. to the pound : *Statutes at Large*, v. 448.

⁵ *Statutes*, viii. 220 ; *Statutes at Large*, v. 329 ; vi. 137 ; *House of Commons Journals*, xxvi. 878.

dealers in stolen yarn, known as 'Turkey' merchants¹; and shoemakers complained that workmen substituted inferior for good leather².

The employment of children was a universal feature of the domestic system. We now consider child labour a great evil, but in former times it met with general approval, for instance, when Queen Elizabeth visited Norwich a pageant showed children spinning worsted yarn³. The example of Germany, where "every child, though but seven or eight years old, is here put to work and is enabled thereby to get his own livelihood"⁴, was held up to England. There, said Yarranton, "a man that has most children lives best; whereas here he that has most is poorest. There the children enrich the father, but here beggar him"⁵. The habit and love of labour, it was supposed, could not be "easily acquired by those who do not begin to set about it until the age of fourteen"⁶. A sixteenth-century writer praised the family where no child was idle⁷; and Defoe records that in his day (1725) there was not a child in Taunton or the neighbourhood above five years old "but, if it was not neglected by its parents and untaught, could earn its own bread"⁸. Under the domestic system children were put to work as soon as they could render any kind of service according to the nature of their parents' occupation⁹. In Westmorland children were employed in the manufacture of stockings as early as the age of four¹⁰; while the eldest son of Crompton,

(iv.) *Employment of children.*

¹ Felkin, *A History of the Machine-Wrought Hosiery*, 440.

² *House of Commons Journals*, xx. 180.

³ Halliwell, *The Norfolk Anthology* (1852), 185.

⁴ At Nuremberg: Roberts, *The Merchants Mappe of Commerce* (ed. 1638), chapter cxc.

⁵ *England's Improvement* (1677), 47.

⁶ *An Inquiry into the Management of the Poor* (1767), 15.

⁷ "Of children had he many a one;
But idle in the house was none,
Except it were an infant young."

The Firste Parte of Churchyardes Chippes (1575).

⁸ Defoe, *Tour of Great Britain* (ed. 1725), ii. Letter i. 20.

⁹ *Parliamentary Papers* (1802-3), v. 249 (children employed from five or six); (1806), iii. 32 ('as young as they can work'), 344 ('about seven'). 346.

¹⁰ Redhead, Laing, Marshall, *Observations on the different Breeds of Sheep* (1792), 9.

the inventor of the mule, relates that he was "employed in the cotton manufacture" soon after he "was able to walk"¹.

Earnings of children.

The younger folk assisted their elders in various ways². They fetched the bobbins: they wound or 'quilled' the spun yarn: they helped the weaver to prepare the loom for weaving: they learnt the preparatory processes like willeying, carding, scribbling and slubbing³; and as they grew older they were able to spin and to weave—it was said to be very common for boys and girls to acquire the art of weaving by the time they were twelve years old⁴. In some cases a child went to school in the daytime, and worked in the early morning and evening⁵. The earnings of children were usually small. Those who were from four to eight years old earned a penny a day at quilling: from eight to twelve they earned twopence to fourpence a day at spinning: and from thirteen to fourteen eightpence a day at weaving: but the rates of wages varied considerably in different parts of the country⁶. Outside the woollen industry children were employed in cotton, silk, lace-making, knitting stockings, the manufacture of sail cloth, and the metal trades: at four years old in knitting stockings, at five in cotton and lace-making, and at seven in the rest⁷.

There is abundant evidence that child labour was a common feature of industrial society for centuries before the rise of the factory system. Indeed the tardy progress of factory legislation in the nineteenth century, and the insensitiveness of public opinion, only become explicable

¹ French, *The Life and Times of Samuel Crompton* (ed. 1859), 91. See *infra*, Appendix, p. 473, No. 3.

² *Parliamentary Papers* (1802-3), vii. 4; (1806), iii. 6, 30-32, 45, 68, 309; Young, *Tour through the Southern Counties* (ed. 1772), 200; *The Weaver's Garland*.

³ For these processes, see Lipson, *The History of the Woollen and Worsted Industries*, chapter iv. and p. 184.

⁴ *Parliamentary Papers* (1806), iii. 187, 400.

⁵ *Ibid.* 68.

⁶ *The Gentleman's Magazine*, ix. 205; Young, *Tour through the North* (ed. 1771), i. 137; *Tour through the Southern Counties* (ed. 1772), 76, 144; Eden, *The State of the Poor* (1797), ii. 177, 479. Children were also employed in wool-combing: *House of Commons Journals*, xlix. 323.

⁷ Cotton: *House of Commons Journals*, xxii. 566. Silk: *ibid.* xxx. 213. Lace: *ibid.* xlii. 270. 'Toy' trade: *ibid.* xxviii. 496. Sail cloth: *ibid.* xxii. 563; xxv. 73, 1025. Stockings: Redhead, Laing, Marshall, *Observations on the different Breeds of Sheep* (1792), 9. Card-making: *Reasons humbly offered by the Card-Makers and Wier Drawers of Froome-Selwood*.

when it is remembered that the factory system inherited the traditions of an older industrial system in which long hours of labour and the employment of children were normal and regular practices. There was, however, this important difference between the domestic system and the factory system—the unit of industry in the former was the family, in the latter it is the individual ; and this difference affects not only the problem of earnings but also the position of the child. Under the domestic system the family of an artisan worked under the same roof. It was considered a merit of the domestic system that it kept husband and wife and children together ¹, so that their earnings went into a common purse and children worked under the eyes of their parents. Under the factory system the members of the family were dispersed, and children came under the control of strangers. How far the change was detrimental depends on the extent to which the relations of parents and children were softened by feelings of natural affection. In so far as the parents avoided exhausting toil the evils of child labour would be mitigated. But in earlier times children were not always treated humanely by their parents. One who was brought up under the domestic system declared that the days of his childhood were “really the days of infant slavery”. “The creatures”, he said, “were set to work as soon as they could crawl, and their parents were the hardest of taskmasters” ².

The family as the unit of industry.

On the whole, it would appear that children were employed at an earlier age and for less wages than the majority of children employed in factories ³. It was, indeed, used as an

Comparison with children in factories.

¹ *Parliamentary Papers* (1806), iii. 22, 148 ; *The Gentleman's Magazine*, ix. 205. All the members of the family assisted in the work : *Parliamentary Papers* (1806), iii. 6, 66, 125.

² Cooke Taylor, *Notes of a Tour in Lancashire* (1842), 141. A different opinion is expressed in *The Humble Petition of the Poor Spinners* (1788).

³ A similar view was held by the commissioners in *The First Report on Factories* (1833), 51, who also remarked on the cruelty towards children ‘in many a cottage’ : *ibid.* C. 1. 170. A stocking weaver at Hinckley was asked : “At what age do the children commence working ?—As soon as they are able to handle a needle. At what age is that ?—About three years. How many hours of labour for a child five years old ?—I should think nine or ten” : *The First Report of the Commissioners for Inquiring into the State of Large Towns* (1844), xvii. 48-49.

argument in favour of the domestic system that it afforded means for the employment of children at an earlier age than was possible under the factory system¹. The effect of machinery was in many cases to raise the age at which children were employed, with the result, it was said, that many families did not live as comfortably in consequence of the children being out of work². Sometimes the factory owners were asked to take children before they were old enough or strong enough to work³; and this strengthens the conclusion that child labour was no new phenomenon, but a deep-rooted institution of industrial society.

(v.) *Unemployment.*

Another evil, widely prevalent under the domestic system, was unemployment. The growth of capitalism inevitably brought in its train an increased amount of unemployment. The more extended the market the greater is the liability to fluctuations, for the capitalist takes on fresh hands when trade is brisk and dismisses them when trade is dull. The ebb and flow of commerce react upon industry, and produce at one moment an expansion, at another moment a shrinkage. Commercial crises have been a feature of the economic system at least from the sixteenth century, and the 'Industrial Revolution' only intensified, it did not create, the phenomenon of trade depressions. We shall describe in a later chapter⁴ some memorable depressions grave enough to necessitate the intervention of the State, but even in normal times commercial fluctuations were apparently a permanent feature of the industrial situation, apart from the difficulties created by irregularity in the supply of yarn. There were always times in the year when many weavers were out of work, and probably no clothier could keep all his men fully occupied the whole year round⁵. When trade was slack some employers might continue to

¹ *Parliamentary Papers* (1806), iii. 32, 47.

² *Ibid.* 79.

³ *Ibid.* 175. In *The First Report on Factories* (1833), 15, it was stated that "in some rare instances children begin to work in factories at five years old . . . not uncommon to find them there at six; many are under seven . . . the greater number are nine". Children employed in factories often lived at a distance from their place of work, and this increased their sufferings.

⁴ *Infra*, vol. iii. 294 seq.

⁵ *Parliamentary Papers* (1802-3), vii. 11, 59.

give out work to weavers, and prepare their cloth in anticipation of a revival of trade ; but others did not get their cloth ready until the orders came ¹. In the West Country it was not unknown for men to be unemployed for several months ² ; and, speaking generally, the domestic worker was assured of less continuous employment than the modern factory operative.

The condition of an unemployed artisan was, in many respects, more unfavourable in the seventeenth and eighteenth centuries than in the nineteenth. The mobility of labour was necessarily less in an age when the migration of the workers was hindered by settlement laws ³ and the privileges of the corporate boroughs ⁴ ; and when the taking up of a new occupation was made difficult, and sometimes impossible, by the insistence on apprenticeship or some form of training which served to distinguish the 'legal' from the 'illegal' workman ⁵. The system of division of labour was firmly established in the textile industries where the different processes of combing, weaving, fulling, dyeing and cloth-finish-ing were all distinct and specialized functions. An unemployed weaver, therefore, could not turn his hand at will to wool-combing or cloth-dressing, apart from the fact that the manual skill of a craftsman might be impaired by unsuitable work. How, then, did the artisan fare during a spell of unemployment ? The answer usually given to this question is that he fell back upon rural employment : he cultivated a plot of land which in normal times served to supplement his income, and in times of need served to keep the wolf from the door. Yet undue stress has been laid upon the connexion between agriculture and industry ⁶. The attempt to combine two occupations, farming and cloth-making, met with strong disapproval. The Statute of Apprentices (1563) confined the occupation of clothier to those who had served an apprenticeship in corporate or market towns, so that agriculturists who did not satisfy this condition

*Condition
of un-
employed
artisans.*

¹ *Parliamentary Papers* (1802-3), vii. 16, 75.

² *Ibid.* 124.

³ *Infra*, vol. iii. 457.

⁴ *Infra*, vol. iii. 344.

⁵ *Supra*, p. 41.

⁶ *I.e.* in respect of the artisan proper. The wages of *agricultural labourers* were supplemented by the earnings of their wives and children in spinning : *infra*, p. 393.

*Connexion
between
agriculture
and in-
dustry.*

were in law excluded ¹. An Elizabethan commentator on the Statute pointed out that "for one man to be both an husbandman and an artificer is a gathering of divers men's livings into one man's hand. And therefore the law doth not allow such a one to keep or instruct apprentices in any occupation, to withdraw from artificers the occasion of their livings, *which have no other trade to live by but only their occupations*" ². The Privy Council ordered the justices of assize in 1586 to restrain farmers in Devonshire and Cornwall, "having otherwise to live", from setting up looms in their houses and making kersies ³; while in Wiltshire a weaver who had a 'ploughland' was forbidden to keep more than a single loom (1603) ⁴. The distress caused by trade depressions, of which some examples are given below ⁵, would be unintelligible if artisans had normally a supplementary source of income: but all the indications are that the typical artisan was dependent upon his earnings in industry. A letter of the Merchant Adventurers addressed to the Privy Council in 1565 speaks of those who have "no other living but by spinning, weaving and making of cloths" ⁶. A proclamation of 1576 alludes to "great multitudes of poor people living only" upon industry ⁷. A report on the relief of the poor in the reign of Charles I. refers to the 'multitudes' that heretofore "have lived by work from the clothier", and of whom thousands, owing to the decay of trade, now lived "in much want and could hardly subsist" ⁸. A petition signed by two hundred and fifty inhabitants of Westbury (1662) stated that "their whole dependency" rested "upon the trade of clothing" ⁹; and a letter to the secretary of state in 1676 mentioned the 'many thousands' that "have no other way of subsisting" than the woollen industry ¹⁰.

In some parts of England industry was combined with

¹ *Infra*, vol. iii. 280.

² *Tudor Economic Documents* (ed. Tawney and Power), i. 353.

³ *Acts of the Privy Council*, 1586-1587, p. 21.

⁴ *Hist. MSS. Comm. Various*, i. 75.

⁵ *Infra*, vol. iii. 303 *seq.*

⁶ *State Papers Foreign*, 1564-1565, p. 528.

⁷ Bodleian Library: Arch. G.C. 6, No. 178.

⁸ Cited Leonard, *The Early History of English Poor Relief*, 259.

⁹ *Hist. MSS. Comm. Various*, i. 144.

¹⁰ *State Papers Domestic*, 1675-1676, p. 512.

agriculture. In the North it was one of the recognized advantages of the domestic system that "part of the family may be employed part of their time in agriculture or management of a little land attached to their houses"¹, though in the West Riding, at all events, the connexion between agriculture and industry was more nominal than real². But in the West Country weavers appeared to have owned very little land. "There is not one family in twenty", a witness from Gloucestershire told a parliamentary committee, "who have as much land as this room : therefore, they are never brought up that way"³. In harvest-time weavers, wool-combers and cloth-finishers out of employment might find work in the fields and earn two meals and a shilling a day at hay-making⁴. In the Middle Ages, indeed, even the employed weaver had to leave his loom and help to gather in the harvest ; and, as late as 1662, an Act of Parliament forbade the weavers of Norwich to 'set any loom on work' during the month of harvest⁵. Still, the harvest comes but once a year, and unemployment knows no fixed seasons. Hence the textile workers, when out of work, were often employed in labour on the roads or forced to break stones and wheel heavy loads⁶. Even where opportunities for rural employment existed they were attended by serious drawbacks. In the eastern counties textile workers were eager to assist in the fields because they were better paid⁷, but in the West they sometimes received nearly double the wages of agricultural labourers, and at places like Witney they never worked for the farmers⁸. Not only was rural work poorly remunerated from the standpoint of the more highly paid

*Divorce of
the artisan
from the
soil.*

¹ *Parliamentary Papers* (1806), iii. 340.

² *Infra*, p. 80.

³ 1806 : *Parliamentary Papers* (1806), iii. 340.

⁴ *Ibid.* (1802-3), vii. 127 ; *House of Commons Journals*, xlix. 323.

⁵ The injunction was primarily intended to assist the farmers, but in any case, since the spinners were harvesting, supplies of yarn would be short ; also the restriction increased the amount of weaving to be done in the winter when agricultural workers had more leisure for spinning : *supra*, vol. i. 185 (the Middle Ages) ; *Acts of the Privy Council*, 1615-1616, p. 238 ; *Statutes*, v. 373 (1662). The month was August 15 to September 15.

⁶ *Parliamentary Papers* (1802-3), vii. 17, 176, 271.

⁷ Young, *Tour through the Southern Counties* (ed. 1772), 76.

⁸ *Ibid.* 145, 341.

artisan, but it had a detrimental effect upon the weaver. Hard work roughened his hands and made him less fit for weaving, particularly in the delicate work of tying broken threads in the loom¹; and, living as he did a sedentary life, he was not adapted physically for outdoor employment²—a fact overlooked by those who lay stress upon the opportunities for rural employment enjoyed by textile artisans prior to the 'Industrial Revolution'. A weaver might put in an occasional day's work at harvest-time to oblige his neighbours, and if unemployed might be constrained to turn agricultural labourer or road-mender, but only as an alternative to starvation, not because farming or stone-breaking was a regular source of income. On the whole, we are led to the conclusion that for practical purposes the divorce of the artisan from the soil had already proceeded a considerable way in the West Country, long before the introduction of machinery completed the process by extending it to the spinning population, composed of women and children, whose earnings had supplemented the wages of agricultural labourers.

Wide dispersion of industry.

One feature of the domestic system excited favourable comment, namely, the wide dispersion of industry. In early times the towns were the centres of industrial life, though in the course of centuries the textile industry overflowed into the suburbs and country districts. The Early Tudors, pursuing a policy of stability, sought to check the spread of industry, but the attempt was abandoned by Elizabeth. The Acts which prohibited the manufacture of cloth except in corporate or market towns³ were repealed in favour of Essex (1559) and Wiltshire, Gloucestershire and Somersetshire (1576), and entirely abrogated in 1624⁴. At the opening of the seventeenth century the Venetian secretary in London wrote that cloth was made "all over the kingdom in the

¹ *Parliamentary Papers* (1802-3), vii. 318-319.

² *Ibid.* (1806), iii. 337. Cf. *Reports on the Hand-loom Weavers* (1840), xxiii. 460.

³ For these Acts, see *supra*, vol. i. 505-507. They did not apply to Wales, the northern counties, Kent, Suffolk and Cornwall and the neighbourhood of Stroud: *Statutes*, iv. part i. 326.

⁴ *Statutes*, iv. part i. 376, 626, 733; part ii. 1239.

small hamlets and villages, and not in the big towns only" ¹. While the woollen industry, in marked contrast with the cotton industry, was carried on in every part of the kingdom, certain areas became pre-eminent as the 'manufacturing districts' of England: East Anglia, the West Country, and Yorkshire. Yet even here industry was widely dispersed. "When we come into Norfolk", wrote Defoe, "we see a face of diligence spread over the whole country" ². The West Country was the seat of the broadcloth manufacture ³, upon which rested the fame of English industry down to the era of the 'Industrial Revolution'. At Painswick, on the way to Stroud, wrote a traveller in 1682, "you begin to enter the land of clothiers"—which was covered everywhere, in Leland's picturesque phrase, with a network of 'clothing towns' and 'clothing villages'. In the West Riding, it was noted as early as 1638, the clothiers "spread themselves all over the country" ⁴. This dispersion, which is also found in other industries ⁵, was considered one of the chief merits of the domestic system by those who contrasted unfavourably the concentration in towns produced by the factory system. But against the opportunities for recreation and fresh air must be set the insanitary condition of the artisans' dwellings and the long hours of toil.

When we turn from the West to the North of England we are confronted with a more primitive kind of industrial society ⁶. The typical clothiers of Yorkshire were the

¹ *State Papers Venetian*, 1603-1607, p. 105 (1603). See *infra*, Appendix, p. 473, No. 4.

² Defoe, *Tour of Great Britain* (ed. 1724), i. letter i. 91.

³ Kersies were also made, those of Devonshire claiming to be 'the best and finest of the kingdom': Risdon, *The Chorographical Description of Devon* (ed. 1811), 11 (*temp.* Early Stuarts). Even Bath manufactured a cloth known as 'Bath Beaver': Warner, *History of Bath* (1801), 175, 210; Collinson, *History of the County of Somerset* (1791), i. 28.

⁴ *Hist. MSS. Comm. Portland*, ii. 304 (1682); Leland, *Itinerary* (ed. Toulmin Smith), v. 82-84, 95-98, 103; *State Papers Domestic*, 1637-1638, p. 433. On the geographical distribution of the woollen industries, see Lipson, *The History of the Woollen and Worsted Industries*, chapter vi.

⁵ *E.g.* iron: *infra*, p. 159.

⁶ The domestic system of Yorkshire is sometimes regarded as akin to the gild system, except that there was no gild organization among the Yorkshire manufacturers. The view here taken is that it was a primitive form of the domestic system as it existed in the West Country, since the

*The
domestic
system in
the North.*

working clothiers, or 'domestic manufacturers', who in the middle of the eighteenth century mustered not less than two thousand ¹. It is this class, the counterpart of the yeomanry in agriculture, which enlisted the unstinted praise of contemporaries ², and ever since has been held up to the admiration of posterity. The best description of them is contained in their own petition to Parliament in 1794, in which they represented themselves as men "who, with a very trifling capital, aided by the unremitting labour of themselves, their wives and children, united under one roof, decently and independently have maintained themselves and families" ³. They resembled neither the clothiers nor the weavers of the West Country. They differed from the latter because they owned not only their looms, but also the material upon which they worked; they differed from the former because they were primarily manual craftsmen rather than entrepreneurs. Possessed of only 'a very trifling capital'—within ten miles of his house, the member for Yorkshire told Parliament in 1614, there were thirteen thousand men set on work, of whom two thousand were householders "whose stock was not above twenty pounds, many five pounds" ⁴—they depended upon the weekly sales of their goods for replenishing their stock. Every week they made a piece of cloth and brought it to market, "being compelled to sell the same at the week-end, and with the money received for the same to provide both stuff wherewith to make another the week following, and also victuals to sustain themselves and their families till another be made and sold" ⁵. On the eve of the Civil War, when merchants were saying that "this is

Yorkshire clothier controlled *all* the processes connected with cloth-making other than the finishing processes. Whereas under the gild system there was no centralized control of the industry, and the workers in each branch retained their independence. See *infra*, Appendix, p. 475, No. 1.

¹ *House of Commons Journals*, xxx. 385 (1765). In 1806 it was stated in the *Report on the State of the Woollen Manufacture* that "several thousands of these small master manufacturers attend the market of Leeds": *Parliamentary Papers* (1806), iii. page 9 of the Report.

² *Parliamentary Papers* (1806), iii. page 10 of the Report; Gaskell, *Artisans and Machinery* (1836), *passim*.

³ *House of Commons Journals*, xlix. 275.

⁴ *Ibid.* i. 491.

⁵ *Victoria County History, Yorkshire*, ii. 415 (1638).

no time to pay money " ¹, the West Riding clothiers hastened to lay their grievances before the House of Lords, explaining that they were " too poor to go forward with their trade unless their stock is bought up weekly " ². None the less they were not wage-earners, for they sold the product of their labour and not the labour itself. They owned the raw material, and in their own houses, assisted by their wives, children and journeymen, worked it up through all the different stages for sale in open market ³.

The number of looms owned by a working clothier varied according to circumstances. Formerly " he was thought to be a very considerable manufacturer that had two looms ; there were few that had two ; I do not know of one that exceeded the number thirty years ago (1776) when I wrought in a loom " ⁴. The space of a generation witnessed a marked advance : by the close of the eighteenth century two looms had become the minimum, and some clothiers employed three or more ⁵. The Yorkshire clothier, unlike the West Country clothier, was himself a workman and wove in the loom. He was sometimes helped by his wife and children, sometimes also by apprentices and journeymen ⁶. Taking into account the variety of processes involved in the woollen industry, it is obvious that no manufacturer of cloth could dispense entirely with hired assistance. In early times all the operations, carding, spinning, weaving and dyeing, were carried on in the clothier's household, but as the latter was seldom large enough to spin the quantity of yarn required to feed two or more looms, the Yorkshire clothier came to depend upon hired helpers in the same way, though not to the same extent, as a West Country clothier. At the end of the eighteenth century a domestic manufacturer needed to employ, on an average, at least ten persons ⁷. The assistance which he utilized was provided partly by apprentices, and partly by journeymen.

The working of the apprenticeship system can best be studied in the North of England, for here the institution

¹ *Hist. MSS. Comm.* iv. 62.

² *Ibid.* v. 38.

³ *Parliamentary Papers* (1806), iii. page 8 of the Report ; 138, 144, 187, 446 (Minutes).

⁴ *Ibid.* 129.

⁵ *Ibid.* 43.

⁶ *Ibid.* 5, 31.

⁷ *Ibid.* 9.

Apprenticeship in the North.

retained longest its distinctive features¹. In the West Country, where industrial capitalism had gained a footing from the earliest times, apprenticeship in its old form rapidly succumbed to the dissolving influences of the new economic order : in the North Country, where the traditional organization of industry maintained its ground more successfully, the ideals of technical training and social discipline bequeathed by the craft gilds had not yet spent their force even when the eighteenth century had run its course.

Comprehensive training.

The working clothier needed a thorough training in the various branches of the woollen industry in order that he might turn his hand to any operation. " In general, most of our men can do all the trades ", stated a Yorkshire employer. " In their youth they generally learn the whole, but after they are learned they are generally kept to one branch, but if they are wanted to do a job at the others they can do the others " ². The advocates of a seven years' apprenticeship rested their argument on the ground that the working clothier had to be acquainted with every process from buying wool to fulling cloth. The nature of the instruction given to an apprentice is shown in the evidence of a West Riding clothier, who was asked to enumerate what branches of the trade he had learnt ³.

" I learnt to be a spinner before I went apprentice : when I went apprentice I was a strong boy, and I was put to weaving first.

" Did you also learn to buy your own wool ?

" Yes ; I had the prospect of being a master when I came out of my time, and therefore my master took care I should learn that ". This branch demanded great skill, especially when the clothier bought his wool direct from the grower. He had to sort the wool since its quality varied enormously according to the county whence it came, and different kinds of wool were adapted to different uses and required different dyes and modes of manufacture ⁴. To-

¹ On apprenticeship in the West of England, see *supra*, pp. 37 seq. ; and on the general question of the legal enforcement of apprenticeship, see *infra*, vol. iii. 283 seq.

² *Parliamentary Papers* (1806), iii. 74.

³ *Ibid.* 6.

⁴ *Ibid.* 33.

wards the end of his service the apprentice was instructed in the art of dyeing from pattern ; and he was also taught to perform the operations at the fulling mill and to ' tenter ' cloth.

" And you instruct your apprentice in the same line ?

" Yes ; we think it a scandal when an apprentice is loose if he is not fit for his business ; we take pride in their being fit for their business, and we teach them all they will take " ¹. Thus the old ideal, embodied in the mediaeval gilds, was not lost sight of ; and it was still considered the function of the apprenticeship system, as in the early days, to raise up " honest and virtuous masters to succeed us in this worshipful fellowship for the maintenance of the feats of merchandise " ².

The institution of apprenticeship also survived in the eighteenth century as a system of social training. Aikin relates that " an eminent manufacturer in that age used to be in his warehouse before six in the morning, accompanied by his children and apprentices. At seven they all came in to breakfast, which consisted of one large dish of water-pottage made of oatmeal, water and a little salt, boiled thick and poured into a dish. At the side was a pan or basin of milk, and the master and apprentices, each with a wooden spoon in his hand, without loss of time, dipped into the same dish, and thence into the milk pan ; and as soon as it was finished they all returned to their work " ³. Yet by the close of the century apprenticeship as a social agency was fast decaying even in the North of England. Few masters now received apprentices under their own roof or considered them as members of the family ⁴. In the villages the working clothiers kept their apprentices in their own houses ⁵, and among the cloth-finishers it was the general practice for apprentices to live with their masters, just as it was among the Sheffield cutlers until beyond the middle of the nineteenth century ⁶ ; but a master dresser who employed a large number of apprentices—some kept as many as seven or eight, and twice the number was not unknown—would

Apprenticeship as a social institution.

¹ *Parliamentary Papers* (1806), iii. 6, 31, 69.

² *Supra*, vol. i. 314.

³ Aikin, *A Description of the Country . . . round Manchester* (1795), 183.

⁴ *Parliamentary Papers* (1806), iii. page 14 of the Report ; 172 (Minutes).

⁵ *Ibid.* 172.

⁶ Lloyd, *The Cutlery Trades*, 197.

seldom take more than one or two into the house¹. These were provided in the ordinary way with board and lodging, and were paid no wages; while the other apprentices who did not reside with their master usually received allowances according to their abilities². It was recognized that the institution of apprenticeship in its old form, where the master brought up the apprentice in his own house and was responsible for his welfare, had a great social value, quite apart from the exceptional opportunities for a thorough technical training which it afforded: but the masters showed an increasing aversion for receiving apprentices in their own homes³. The extended state of the woollen industry made it impossible for large employers to keep all their apprentices under their roof, and the proposal to limit a master to a few apprentices was now clearly impracticable. Another cause of the decay of apprenticeship was the recognition that the work could be done at a less expense by children coming in the morning, and going home again at night, than by keeping them in the house as apprentices⁴.

*Discontent
of appren-
tices.*

On his part, also, the apprentice often found the yoke of servitude irksome and embraced the opportunity to escape from his master's service. The runaway apprentice was not uncommon at all periods, but at the end of the eighteenth century the flight of apprentices was a normal occurrence. "There is scarce a week", said a Leeds magistrate, "that we are not obliged to grant warrants to apprehend runaway apprentices"⁵. Ill-treatment on the part of masters was doubtless only a subsidiary and occasional cause of an apprentice's flight: nor is the explanation to be found in the perverse nature of apprentices, for the complaint that apprentices were disobedient, "not knowing their duty to their superiors", is almost as old as the institution itself⁶.

¹ *Parliamentary Papers* (1806), iii. 298-299.

² *Ibid.* 301.

³ *Ibid.* 434.

⁴ *Ibid.* 196.

⁵ *Ibid.* 172. See also Glyde, *The New Suffolk Garland* (1866), 282 ("Register of things cried in the market" of Clare). W. Hirst, a prominent Yorkshire manufacturer, ran away from the master to whom he was apprenticed, on account of ill-treatment: Hirst, *History of the Woollen Trade for the last Sixty Years* (1844), 5-7. A volume of Norfolk newspaper cuttings in the Bodleian (Gough Addis Norfolk 4to xi.) contains an advertisement of a runaway apprentice.

⁶ *Supra*, vol. i. 313.

The fact was that a boy who was bound apprentice for seven years, and received no pay in spite of increasing proficiency during the last three or four years of his service, was likely to become discontented with his condition¹. His dissatisfaction was heightened when he saw boys and girls earning wages at the age of twelve or thirteen without having been apprenticed. Hence, as the apprentices grew to manhood, and found themselves competent workmen able to earn workmen's wages, their relations with their employers often became strained : disputes easily arose between them, and they seemed " solicitous to render themselves obnoxious to the masters and to make it not worth while to keep them, but to let them go " ². The abolition of a seven years' apprenticeship was therefore recommended expressly in the belief that it would produce in a boy habits of industry and more strenuous application to his work, if he received a journeyman's wage from the moment he proved himself a competent workman. Sometimes the master, in order to encourage the apprentice, gave him money, or allowed him to work overtime after he had finished his ordinary task and paid him wages for it³.

In these circumstances it is not surprising to find the apprenticeship system in process of disintegration even before the establishment of factories. While the institution held its ground more generally in the North than in the West owing to marked differences in the organization of industry, it became common in Yorkshire, by the close of the eighteenth century, to employ boys and girls in the textile industry who had not been apprenticed ; and prosecutions for breach of the Elizabethan law were exceptional⁴ until the opponents of the factory system discerned in the Statute of Apprentices a legal instrument with which to destroy or cripple it. The trustees of the cloth halls were constrained to recognize the

Disintegration of the apprenticeship system.

¹ *Parliamentary Papers* (1806), iii. 400. Hogarth's ' Industry and Idleness ' depicts ' the fellow prentices ' at their looms.

² *Ibid.* (1806), iii. 172.

³ *Ibid.* (1806), iii. 45-47, 301.

⁴ *Ibid.* (1802-3), vii. 231, 283 ; (1806), iii. 400. A Yorkshire clothier stated in 1806 that he had never known a prosecution : *ibid.* (1806), iii. 11.

break-down of the system. Originally no man could expose cloth for sale at the cloth halls in Leeds unless he had served a seven years' apprenticeship, but the trustees modified this rule in 1797, and the term which entitled a man to set up his trade as a clothier and own a stand in the official halls was reduced to five years¹. Subsequently the trustees of the white cloth hall admitted all persons whether they had been apprenticed or not². The formal repeal of the Statute of Apprentices in the opening years of the nineteenth century³ only put the seal of legislative approval upon what was already an accomplished fact.

*The York-
shire
journey-
men.*

It was unusual for an apprentice in the North to set up as a master immediately he was 'out of his time'⁴. After his term of servitude he became a journeyman, remaining in his master's employment, or entering into service elsewhere. As a rule the journeyman, especially if unmarried⁵, worked in the master's house: otherwise he worked in his own home upon the master's material and under his directions⁶—in the latter case the loom might be the property of the master or the man⁷. Sometimes the journeyman was hired by the year, in which case he worked the customary hours and received as wages eight to ten pounds a year in addition to his board⁸. It was better to engage a good workman by the year, for his work was worth more than his wages, but masters were reluctant to bind a workman for a year since

¹ *Parliamentary Papers* (1806), iii. 61, 72, 201.

² *Ibid.* (1806), iii. page 14 of the Report; 201, 206 (Minutes). See *infra*, p. 88.

³ Compulsory apprenticeship in the woollen industry was abolished in 1809: *Statutes of the United Kingdom*, iii. 900. The abolition was made general for all industries in 1814: *ibid.* v. 725.

⁴ But some clothiers set up at the age of twenty-one: *Parliamentary Papers* (1802-3), vii. 235.

⁵ *Ibid.* (1806), iii. 116.

⁶ *Ibid.* (1806), iii. 105.

⁷ The journeyman weaver of the North must be distinguished from the journeyman weaver of the West. In the West Country industrial society comprised three classes: (1) the clothier who owned the material; (2) the master weaver who owned the loom; (3) the journeyman weaver who worked in the house of the master weaver on his master's loom. In Yorkshire there were two classes: (1) the clothier who owned the material and (in many cases also) the loom; (2) the journeyman weaver who worked either at home or in the clothier's house, on his own or on his master's loom, but did not own the material.

⁸ *Parliamentary Papers* (1806), iii. 15, 31. *Infra*, Appendix, p. 476, No. 1.

they could not discharge him until his term expired, and in periods of depression they might not have enough work to keep him occupied. The workmen themselves preferred piece-work, "for then they can work or play just as they please" ¹, especially if the work was given out to them in their own homes. Payment by piece-work was the common practice ², though hiring by the year was not unknown even at the end of the eighteenth century. Occasionally the two systems were combined, as in the case of a clothier near Leeds who employed two journeymen—the unmarried one was hired by the year; the married one was paid by the piece and worked under the master's roof, but at times in his own house ³. When the journeyman lived at home he sometimes took apprentices himself ⁴, and if he owned his looms his position was really that of a master weaver in the West Country.

A striking feature of industrial conditions in Yorkshire was the good feeling existing between the small clothiers and their workmen. There was no conflict of capital and labour : as in the days of the gild system the masters were themselves artisans drawn from the ranks of the labouring class, and the journeymen had reasonable prospects of achieving their independence. In periods of depression—and the crucial test of economic relationships is adversity—the working clothiers rarely dismissed their hands. "Our men and masters", declared a Yorkshire clothier, "are in general so joined together in sentiment and, if I may be admitted to use the term, love to each other, that they do not wish to be separated if they can help it. We always consider the masters and journeymen as one, and our interests as reciprocal" ⁵. Another clothier stated that the manufacturers held it their duty to keep the men regularly employed : "There is that good understanding between the employer and the employed that we should think it a very irksome task to turn off a workman whom we consider a good and honest workman" ⁶. Stability was the key-note of the York-

*Merits of
the York-
shire
domestic
system :
(i.) good
relation-
ships.*

¹ *Parliamentary Papers* (1806), iii. 15.

² For hiring by the piece, see *ibid.* 15, 69, 105, 130.

³ *Ibid.* 102.

⁴ *Ibid.* 63.

⁵ *Ibid.* 43, 67.

⁶ *Ibid.* 70-71, 131.

shire domestic system, and the industrial mechanism of the North was not so sensitive as in the West to the free play of economic forces. If there were no immediate sale of their goods, those whose credit enabled them to obtain wool kept on their men and accumulated stock as long as they could¹. The Yorkshire clothier prided himself upon the fact that it was exceptional to discharge a workman for want of employment. "Winter or summer, bad trade or good, we go on straight forwards", whether their stock was sold or left on the shelves². In the West Country the concentration of industry in the hands of large capitalists increased the danger of unemployment, but in the North "any sudden stoppage of a foreign market, any failure of a great house, or any other of those adverse shocks to which our foreign trade especially is liable in its present extended state, has not the effect of throwing a great number of workmen out of employ as it often does when the stroke falls on the capital of a single individual". The loss was spread over a wide surface. "It affects the whole body of the manufacturers, and though each little master be a sufferer, yet few if any feel the blow so severely as to be altogether ruined. Moreover . . . in such cases as these they seldom turn off any of their standing set of journeymen, but keep them at work in hopes of better times"³.

(ii.) *Equality of opportunity.*

In the eyes of contemporaries the outstanding merit of the Yorkshire domestic system—apart from the friendly relations between masters and men—was equality of opportunity. It was considered one of the 'eminent advantages' of the old industrial society that it gave every workman a chance of rising in the world. In the North Country it was not difficult for any wage-earner in the woollen industry to become a master. Every journeyman, who was careful and persevering, worked with the idea of saving up money and then setting up on his own as soon as he could⁴. "When I only got ten shillings a week", said a successful clothier, who began with one loom and ended with twenty-one, "I

¹ *Parliamentary Papers* (1806), iii. 7-8, 71.

² *Ibid.* 33, 117.

³ *Ibid.* page 10 of the Report; 15 (Minutes).

⁴ *Ibid.* 130; Tucker, *Instructions* (ed. 1757), 24.

saved one out of it " ¹. Each year there were numerous instances of industrious journeymen becoming masters, that is, working on their own material. The working clothier needed little capital: his utensils were either home-made or cheaply bought: and the raw material was readily obtained on credit. As early as the sixteenth century dealers, or 'chapmen', resorted to Manchester with wool, "and have used to credit and trust the poor inhabitants of the same town, which were not able and had not ready money to pay in hand for the said yarns, wool and wares, unto such time the said credits with their industry, labour and pains might make cloths . . . and sold the same to content and pay their creditors " ². This method of credit was one of the reasons for the survival of the domestic system in Yorkshire. In the eighteenth century the clothiers who made coarse cloth, as a rule, paid ready money for their wool, and 'ready money' meant a bill at one or two months' date; but the fine clothiers, whose material was more expensive, were given longer credit ³. Not only the established clothier but any young man of good character, starting life on his own, was allowed credit for his raw material. A contemporary tells us that he knew "many instances where persons were not worth one shilling, but from the representation of their neighbours that they were honest and industrious they have got credit for any quantity of wool they could work " ⁴.

The connexion between industry and agriculture was closer in the North than in the West of England. Sometimes weaving was carried on merely as a by-occupation, Weaving
as a by-
occupa-
tion. for example, in south Lancashire the weaver is represented as first and foremost a farmer. According to one account, "the farming was generally of that kind which was soonest and most easily performed; and it was done by the husband and other males of the family, whilst the wife and daughters and maid servants, if there were any of the latter, attended

¹ *Parliamentary Papers* (1806), iii. 182, 210. He is the prototype of James Nasmyth, the engineer: cf. the evidence of the latter in *The Tenth Report on Trades Unions* (1868), 72.

² *Statutes*, iii. 850 (1542).

³ *Parliamentary Papers* (1806), iii. 66, 163.

⁴ *Ibid.* 447

to the churning, cheese-making and household work, and when that was finished they busied themselves in carding, slubbing and spinning of wool or cotton, as well as in forming it into warps for the loom. The husband and sons would next, at times when farm labour did not call them abroad, size [*i.e.* dress] the warp, dry it, and beam it in the loom; and either they or the females, whichever happened to be least otherwise employed, would weave the warp down". If the rent were raised from the farm "so much the better; if not, the deficiency was made up from the manufacturing profits" ¹. The parents of Crompton, the inventor of the mule, occupied a farm and employed their leisure hours in carding, spinning and weaving, while the inventor himself farmed several acres of land and kept three or four cows ².

Weaving
as the
principal
occupa-
tion.

In other cases farming, and not weaving, was the subsidiary occupation; and the weaver, then, was first and foremost a manufacturer. In the parish of Mellor near Manchester, in 1770, out of fifty or sixty farmers "there were only six or seven who raised their rents directly from the produce of their farms; all the rest got their rent partly in some branch of trade, such as spinning and weaving woollen, linen or cotton. The cottagers were employed entirely in this manner except for a few weeks in the harvest" ³. The price of land in manufacturing districts was, indeed, too high to make corn-growing profitable as a rule ⁴. In the West Riding, the classic hearth of the domestic system in the North, the industrial element was far more important than the agricultural. "Their only stay and maintenance", the clothiers 'in the north parts' informed the Privy Council in 1590, consisted in "the trade of clothing" ⁵. It is true that a large proportion of the manufacturers occupied small plots of land extending from three to fifteen acres ⁶. "The small clothiers", a parlia-

¹ Bamford, *Dialect of South Lancashire*, pp. iv-v. For an example of a farmer-clothier, see Tupling, *The Economic History of Rossendale*, 174.

² French, *The Life and Times of Samuel Crompton* (ed. 1859), 26, 90.

³ Radcliffe, *Origin of Power-loom Weaving* (1828), 59-60.

⁴ Brown, *Agriculture of the West Riding* (1799), 229.

⁵ *Acts of the Privy Council*, 1590, p. 168.

⁶ *Parliamentary Papers* (1806), iii. page 9 of the Report. Cf. Bell, *Essays on Agriculture* (1802), 287-288.

mentary committee was told, "all have, or at least wish to have, a little land attached to their houses—in the general they have. The quantity depends on the size of their family. If it is a very small family they wish to have land enough to keep a cow; if they have a large family they wish to keep two or three cows. . . . *It is all pasture land.* They sometimes wish for a little ploughed land, but whenever a manufacturer engages in arable land he is sure to waste what he is getting in making cloth"¹. Though many manufacturers held a field or two, they were not arable farmers—"they scarce sow corn enough", said Defoe, "for their cocks and hens"—and they only used the land to support a cow, sometimes also a horse to fetch home their wool and carry their cloth to the fulling mill and the market². In some places there were more manufacturers without land than with land, and there was always a great scramble for any land which came into the market³. In any case it was only clothiers who had land: "the loom-men in the cottages have none"⁴. In short the creation of an industrial proletariat, the divorce between the artisan and the soil, had made considerable headway in the North, as in the West of England, even before the era of the factory system. This growth of a class of landless weavers, restricted solely to manufacturing, was probably due not only to the difficulty of obtaining allotments, but to the fact that an artisan who obtained his livelihood mainly by weaving had neither the leisure nor the physical qualities needed for farming operations.

In addition to the working clothiers the West Riding ^{*The*} contained two other kinds of clothiers, whom we may distinguish by the terms 'opulent clothiers' and 'factory clothiers'. The opulent clothiers corresponded to the clothiers of the West Country; and the rise of this class

¹ In 1806: *Parliamentary Papers* (1806), iii. 447 (also 13).

² Defoe, *Tour of Great Britain* (ed. 1727), iii. Letter i. 100. Similarly: Aikin, *A Description of the Country . . . round Manchester* (1795), 93; Brown, *Agriculture of the West Riding* (1799), 228-229 ("They seldom are farmers of land"); *Parliamentary Papers* (1806), iii. page 9 of the Report.

³ *Parliamentary Papers* (1806), iii. 33, 75.

⁴ *Annals of Agriculture*, xxvii. 310, note.

shows that the industrial conditions prevailing in the West of England were not unknown in the North, and that the independence of the small manufacturer was being undermined imperceptibly prior to the introduction of textile machinery. "Fifty years ago"—the middle of the eighteenth century—"he was thought a great clothier who made two pieces in a week; and now if he makes six or eight or ten he is not the largest by far"¹. Arthur Young speaks of a clothier at Darlington who employed fifty looms², and clothiers employing many looms are found in the West Riding itself³. Even in the seventeenth century there existed clothiers whose work-folk numbered a hundred and sometimes more⁴. Our description of the West Country clothiers is applicable to the opulent clothiers of Yorkshire. Their business was conducted on a large scale. They bought their wool direct from the farmers or at fairs, and conveyed it on pack-horses into the country districts to be spun⁵. They kept numerous weavers in their employment and gave the yarn to be woven in the weavers' homes. These weavers usually worked for several employers⁶ unless the clothier made a contract with his men that they should work for him alone⁷. In another respect the opulent clothiers resembled the West Country clothiers: they dressed their own cloth and acted as their own merchants, in contrast with the working clothiers who disposed of their cloth to merchants in an unfinished state⁸.

*The York-
shire
worsted
industry.*

Another group of opulent clothiers existed in the Yorkshire worsted trade which appears, from its inception, to have been more definitely capitalist in character than the woollen trade. The reasons usually assigned are that the materials were more expensive and the work less difficult: hence "capital took control and operative skill became sub-

¹ *Parliamentary Papers* (1806), iii. 160.

² Young, *Tour through the North* (ed. 1771), ii. 427.

³ *Parliamentary Papers* (1806), iii. 99, 103-104.

⁴ *House of Commons Journals*, xiii. 269-270; Heaton, *The Yorkshire Woollen and Worsted Industries*, 295-296; Cartwright, *Chapters in the History of Yorkshire*, 306.

⁵ James, *History of the Worsted Manufacture*, 323-324, 389.

⁶ *Parliamentary Papers* (1802-3), vii. 379, 383.

⁷ *Ibid.* (1806), iii. 104.

⁸ *Ibid.* (1802-3), vii. 371, 380; (1806), iii. 177, 180, 310.

servient" ¹. But the long wool used for worsteds was cheaper than the short wool used for woollens, while wool-combing was skilled work, the wool-combers earning higher wages than carders or weavers in the woollen industry ². A more probable explanation is that the introduction of the worsted manufacture into the North of England, at the end of the seventeenth century ³, was due to the enterprise of capitalist pioneers. The leaders of the industry, at any rate, had more command of capital than the domestic clothiers, and they specialized to a greater extent. The account-books of a worsted-yarn manufacturer have been preserved for the years 1762-79 ⁴. They show that he transacted business on a large scale, buying great quantities of wool which he combed and dyed at home with the help of hired assistants, and then put out to be spun; afterwards he apparently sold the yarn; at his death his stock amounted to nearly £700 worth of raw wool and over £800 worth of combed wool and yarn. *The Letter Books of Holroyd and Hill* afford vivid glimpses of the difficulties with which the early worsted makers of Yorkshire had to contend. Yet their confidence that, 'in spite of fate', the manufacture would "come into these northern counties" was not without justification ⁵. The success which attended the efforts of Yorkshire capitalists to develop the worsted industry is shown by the fact that the worsted cloth made in the West Riding in 1772 equalled in value that made in Norwich ⁶, the principal seat of the trade. Nevertheless their success was not achieved at the expense of the Norwich trade, for the latter was growing at the same time ⁷; moreover, the

¹ Dechesne, *L'Évolution Économique et Sociale de l'Industrie de la Laine en Angleterre*, 69-70. See *infra*, Appendix, p. 476, No. 2.

² *Supra*, pp. 52-53.

³ James, *History of the Worsted Manufacture*, 199 *seq.* An attempt to establish the worsted industry at York was made in the reign of James I.: *infra*, vol. iii. 430. See *infra*, Appendix, p. 476, No. 3.

⁴ Clapham, "Industrial Organization in the Woollen and Worsted Industries of Yorkshire" in *The Economic Journal* (1906), 517.

⁵ *The Letter Books of Holroyd and Hill* (ed. Heaton), 13.

⁶ *Victoria County History, Yorkshire*, ii. 417.

⁷ Young affirmed that "in seventy years last past" the manufacture had trebled: *Tour through the East* (ed. 1771), ii. 77. According to Eden the population grew from nearly 29,000 in 1693 to about 40,000 in 1797: *The State of the Poor* (1797), ii. 477. Cf. also Chalmers, *An Estimate of the Comparative Strength of Britain* (ed. 1782), 173.

Norwich weavers were engaged in the production of the finer qualities of worsted, while the Yorkshire men made the middle and lower qualities ¹.

*The
'factory
clothiers'.*

Although the opulent clothiers were capitalist manufacturers, eighteenth-century opinion was not unfavourable towards them. It was now considered legitimate "for every man to employ his capital to the utmost extent, only that he employs it in the hands of different workmen, not that those workmen should be confined in the walls of a factory. A person may employ sixscore looms if he pleases, but not under one roof" ². The factory clothiers, on the other hand, as the passage just cited serves to show, did not escape criticism, and the bitterest opposition was aroused against them since the factory system meant the destruction of home industry. The factory clothier, instead of giving work out to weavers in their houses, kept the looms together in one establishment. These establishments were called weaving sheds or weaving shops, and the weavers who worked in them were known as factory or shop weavers ³. They were not paid lower rates than those who wove at home, but many employers preferred to carry on the work under their immediate inspection. The advantages of the system were threefold. It enabled the employer to supervise in person the processes of manufacture: it prevented delay in the return of the work which was wont to occur when a weaver wove in his own house for different masters: and it rendered more difficult any embezzlement of the raw material ⁴. But against these advantages must be set the disinclination of the best workmen to enter a factory, so that inferior men had to be taken on. The opulent clothier was sometimes also a factory employer. One Yorkshire manufacturer ⁵, for instance, had twenty-one looms: eleven in his own workshop where he employed altogether over a

¹ They made inferior imitations of Norwich and other fabrics: Cowper, *A Short Essay upon Trade in General* (1741), 39; *Reports on the Hand-loom Weavers* (1840), xxiii. 302. See *infra*, Appendix, p. 477, No. 1.

² *Parliamentary Papers* (1806), iii. 99.

³ The looms were termed 'shop looms'.

⁴ *Parliamentary Papers* (1802-3), v. 257; (1806), iii. 175, 182. For the description of a mill, see Dyer, *The Fleece* (1757), bk. iii.

⁵ *Parliamentary Papers* (1806), iii. 210.

hundred workmen, the remainder in the homes of the weavers. He was thus 'a little bit of a factory man—a sort of mongrel, half factory and half domestic'¹, and he represents the transitional stage from the domestic to the factory system. None the less the expense of building large weaving sheds, coupled with the strenuous opposition of the weavers, checked the growth of a factory system until the adoption of machinery made it an economic necessity.

The factory clothiers of the late eighteenth century have their precedents in the clothiers of the sixteenth and even fourteenth century, who set up factories and gathered servants and looms under one roof. In earlier times the movement towards a factory system, foreshadowed in the careers of Thomas Blanket, John Winchcombe, Stumpe, Tuckar and others², failed to maintain itself in the face of intense social antipathy, the opposition of the Government, and the absence of any vital economic necessity for the concentration of workmen under a factory roof. Probably most of the 'factories', established prior to the introduction of machinery, were in the nature of charitable enterprises undertaken from philanthropic motives. Some seventeenth-century instances are noticed below³; and Arthur Young mentions a factory at Boynton in 1768 which at one time employed a hundred and fifty hands⁴. Some factories, however, were definitely economic and not eleemosynary. We have mentioned the 'factory clothiers' of the West Riding, and we give below⁵ numerous other examples of the concentration of workmen under an employer's roof: the comprehensive list must have embraced a very considerable portion of the working population. In short the domestic system of industry was not the only form of industrial organization; and—not to speak of the extractive indus-

¹ *Parliamentary Papers* (1806), iii. 104.

² *Supra*, vol. i. 469, 476-478; Lipson, *The History of the Woollen and Worsted Industries*, 46-49. For a Scottish factory, see Scott, *The Records of a Scottish Cloth Manufactory at New Mills* (1681-1703).

³ *Infra*, vol. iii. 430 seq.

⁴ *Tour through the North* (ed. 1771), ii. 6.

⁵ *Infra*, Appendix, p. 478, No. 1. Also cf. *supra*, pp. 3-4; and *Introduction*, pp. xlvii.

tries—there were a great number of occupations in which the work was performed away from the workers' homes ¹.

*The York-
shire
merchants.*

Another element in the industrial society of the North was the merchant who exercised functions which in the West Country were the province of the clothiers ². In this respect Yorkshire resembled East Anglia, where the merchants bought 'Norwich stuffs' from the makers and sent them weekly in carts by common carriers to London, whence they were "dispersed into all parts of this kingdom and also exported to foreign parts" ³. The merchants of Yorkshire were not only assigned an important rôle in the domestic system of the seventeenth and eighteenth centuries, they were also destined to supersede the working clothiers ⁴ and become the captains of industry of the nineteenth century.

*The cloth
markets.*

The business of the merchant was to take into his hands the trading functions and confine the domestic manufacturer to the purely manual functions. The working clothier had no direct contact with the consumer, but disposed of the cloth to dealers in open market. In the Middle Ages cloth was always sold in a public place on fixed days of the week, and it was an offence against the law to buy or sell cloth privately. When commodities were sold secretly, the owner of the market went without his tolls, and the public sale of cloth also facilitated the work of inspectors whose duty it was to see that the manufacturers had observed the statutory regulations as to size and quality designed for the security of the purchaser ⁵. In London the centre of the cloth trade was Blackwell Hall, and in other towns a separate place was set aside for the sale of cloth ⁶. The serge market held at Exeter every week in the open street survived down to the

¹ On the other hand, "the assemblage of labourers in one workshop"—which Marx (*Capital*, chapter xiv.) considered "the prevalent characteristic form of the capitalist process of production" extending "from the middle of the sixteenth to the last third of the eighteenth century"—must not lead us to minimize the importance and extent of the domestic system.

² *House of Commons Journals*, xlix. 431.

³ *State Papers Domestic*, 1637-1638, p. 216.

⁴ Cf. *House of Commons Journals*, xlix. 275.

⁵ *Infra*, vol. iii. 328.

⁶ *Supra*, vol. i. 464-465.

nineteenth century¹, yet in general the system of public markets, apart from Blackwell Hall, retained its former importance only in Yorkshire². The West Country clothiers ceased to expose their goods for sale in local markets: as merchants they dealt directly with their foreign customers or employed the agency of London factors to dispose of their goods³. The Yorkshire clothiers, on the other hand, carried their cloth to market where they sold it to merchants⁴. In the seventeenth century Wakefield was considered the greatest cloth market in the North of England⁵, but in the next century it was eclipsed by Leeds. Originally the market of Leeds was held upon the bridge of the river; later it was removed into the High Street. Vivid accounts of the market, written by Thoresby, Defoe and others, have come down to us, and they all dwell upon the same features: the long rows of stalls covered with cloth, the manufacturers ranged behind their stands, the merchants passing along and making purchases in 'profound silence', the bell ringing at the end of an hour to indicate the close of the market⁶.

In the eighteenth century several cloth halls were erected in Yorkshire towns to take the place of the open market: at Halifax in 1700, at Wakefield in 1710, at Leeds in 1711⁷. As industry developed larger halls became necessary—for example, a second white cloth hall was opened at Leeds in 1755, and a third in 1775; in addition a hall for coloured cloth was built in 1756⁸. Many clothiers did not possess stands in the halls, but were allowed to expose their cloth for sale on payment of sixpence for each

Cloth halls.

¹ *All the Year Round* (ed. Dickens), xiv. No. 340, p. 321. See also Defoe, *Tour of Great Britain* (ed. 1724), i. Letter iii. 83.

² Stourbridge Fair remained the great annual fair for cloth: *infra*, p. 89, note 4.

³ *Parliamentary Papers* (1802-3), vii. 347, 382.

⁴ *Ibid.* (1806), iii. 49. Cloth was also bought by factors acting on behalf of merchants residing in London or in other parts of Yorkshire: Heaton, *The Yorkshire Woollen and Worsted Industries*, 204, 271, 383, 387.

⁵ *House of Commons Journals*, xii. 79, 100, 125; *Victoria County History, Yorkshire*, ii. 414.

⁶ Thoresby, *Topography of Leeds* (1715), 14, 81; Defoe, *Tour of Great Britain* (ed. 1727), iii. 86, 116 *seq.*; Watson, *History of Halifax* (1775), 68; *Hist. MSS. Comm. Portland*, vi. 140; *Parliamentary Papers* (1806), iii. page 9 of the Report.

⁷ *Thoresby Society Publications*, xxii. 135, 137.

⁸ Heaton, *The Yorkshire Woollen and Worsted Industries*, 366-373.

cloth¹. None but those who had been apprenticed, or 'legally brought up', were permitted to purchase stands in the official halls²; and those who were not lawful clothiers used to assemble in Potter's Field, whence originated a third hall bearing the significant title of Tom Paine hall³. The official halls viewed with jealousy their upstart rival and, in order to prevent merchants frequenting it, they changed the hour of the market, holding it at the same time as the Tom Paine hall. Eventually the white cloth hall was constrained to admit all clothiers to its privileges whether they had served an apprenticeship or not⁴. The same procedure was observed in the halls as in the open market; but a practice had now developed for cloth to be sold which had never been 'pitched' (exposed for sale) in the market⁵. In these cases the working clothier would carry a single piece of cloth to the hall as a sample, and the merchant gave orders for others to be made according to the pattern shown⁶. When the cloths were ready they were brought to the merchant's house without ever coming into the halls⁷. Sometimes merchants themselves gave out patterns, but the manufacturer who made goods to order was considered equally an independent clothier with the one who worked on his own lines and exposed his cloth for sale in the halls⁸.

Responsi-
bility of
merchants
for finish-
ing pro-
cesses.

The cloth exposed for sale in the Yorkshire markets was bought in the rough state, fulled but undressed. The merchant himself assumed responsibility for the final processes of cloth-making; and the cloth was dressed in his own workshop or committed to a master dresser⁹. Here it underwent the various processes known as 'cloth-working'—raising and cropping the 'nap' until a smooth finish had been imparted to the surface. The Yorkshire merchant was

¹ *Parliamentary Papers* (1806), iii. 8.

² *Ibid.* 10.

³ Also called Albion hall: *ibid.* 66, 200-201.

⁴ *Ibid.* 201, 206.

⁵ *Ibid.* 58.

⁶ *Ibid.* 93, 173.

⁷ *Ibid.* 159.

⁸ *Ibid.* 202. The hall at Huddersfield was not managed by trustees like the halls at Leeds. It was private property and the owner exacted a toll from the clothiers, who were admitted to it without regard to apprenticeship or service: *ibid.* 221. Also at Halifax the lord of the manor drew a revenue from the sale of cloth in his market: Watson, *History of Halifax* (1775), 68; Eden, *The State of the Poor* (1797), iii. 821.

⁹ *Parliamentary Papers* (1806), iii. 7, 49, 153, 225, 237.

thus in a limited sense a manufacturer, an industrial as well as a trading capitalist : ultimately he was destined to usurp the place of the domestic clothier completely, and become master of the whole series of operations from carding and spinning to fulling and dressing.

In all parts of the kingdom the merchants engaged in handling textile goods fell into three main categories—some were exporters ; others employed the factors at Blackwell Hall in London as their agents ; others supplied shops direct. Of the London factors we have already spoken ¹ ; and an account of the merchant exporters will be given in a subsequent chapter ². It remains to say something here of the merchants who dealt direct with the retailers. *Classes of merchants.*

The travelling merchants who supplied the shops ³ are described by Defoe. He relates how they used to " go all over England with droves of pack-horses, and to all the fairs ⁴ and market towns over the whole Island. . . . Here they supply not the common people by retail, which would denominate them pedlars indeed, but they supply the shops by wholesale or whole pieces ; and not only so, but give large credit too, so that they are really travelling merchants and as such they sell a very great quantity of goods ; 'tis ordinary for one of these men to carry a thousand pounds value of cloth with them at a time " ⁵. Aikin adds that the pack-horses " brought back sheep's wool, which was bought on the journey and sold to the makers of worsted yarn at Manchester or to the clothiers of Rochdale, Saddleworth and the West Riding of Yorkshire. On the improvement of turnpike roads waggons were set up and the pack-horses

¹ *Supra*, p. 26. One section of Yorkshire merchants, like the West Country clothiers, supplied Blackwell Hall with cloth ; *Parliamentary Papers* (1806), iii. 160, 285, 330.

² Chapter ii.

³ The country shops were also supplied by the London drapers : Campbell, *The London Tradesman* (1747), 194.

⁴ In the sixteenth century Bartholomew Fair was " the chief time for the utterance of cloths and kersies " : *Letters and Papers, Foreign and Domestic, of Henry VIII.*, vol. xiii. part i. 536. Stourbridge Fair still maintained its importance as a cloth fair in the eighteenth century : Defoe, *Tour of Great Britain* (ed. 1724), i. Letter i. 123 *seq.*

⁵ Defoe, *Tour of Great Britain* (ed. 1727), iii. 119-120. For a travelling merchant in ironmongery, see *Hist. MSS. Comm. Denbigh*, 79 (1644).

discontinued; and the chapmen only rode out for orders, carrying with them patterns in their bags" ¹.

*The
pedlars.*

In the passage quoted above Defoe distinguishes between the 'travelling merchants' and 'pedlars': but elsewhere he alludes to 'the Manchester men' as "being, saving their wealth, a kind of pedlars who carry their goods themselves to the country shopkeepers everywhere, as do now the Yorkshire and Coventry manufacturers also" ². The two classes shaded off into one another, since the pedlar himself might travel with horses ³ and carry on an extensive business. In general, however, "those who travel and go from house to house selling by retail are properly pedlars and called by that name" ⁴. People in the eighteenth century (it was remarked in 1738) had "now but an indifferent notion of the trade of a pedlar" ⁵, although in earlier times the latter occupied a not inconsiderable place in the internal economy of the country. The following is a list of pedlar's wares about the year 1540:

"What? dost thou not knowe that every pedler
In all kinde of trifles must be a medlar?
Specially in women's tryflinges.
Those use we cheafly above all things.
Gloves, pynnes, combs, glasses unspotted,
Pomanders, hookes, and lasses knotted,
Broches, rynges, and all manner of bedes,
Laces, round and flat, for women's hedes.
Medyls, thred, thimbell, shers, and all such knackes" ⁶.

*Laws
against
pedlars.*

The legislature frowned upon the pedlar from a general dislike of 'vagrant persons', whose professed occupation often served as a cloak for thieving. "It is evident", recited an Act of 1552, "that tinkers, pedlars and such-like vagrant

¹ Aikin, *A Description of the Country . . . round Manchester* (1795), 183-184. The arduous existence of a travelling merchant is depicted in Thomas Walker's *Original: Espinasse, Lancashire Worthies*, first series, 300.

² Defoe, *The Complete English Tradesman* (ed. 1732), i. 327.

³ *Infra*, p. 91.

⁴ Défoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 78.

⁵ *Hist. MSS. Comm. Portland*, vi. 170.

⁶ Quoted in Dowell, *A History of Taxation* (ed. 1888), iii. 26.

persons are more hurtful than necessary to the commonwealth of this realm". Accordingly the Act ordained that no "pedlar, tinker or petty chapman shall wander or go from one town to another or from place to place out of the town, parish or village where such person shall dwell", and sell pins, laces, gloves, knives, glass, tapes, "or any such kind of wares whatsoever", unless licensed by two justices of the peace¹. This injunction was repealed in 1604²; but a subsequent enactment (1697) imposed a tax on 'every hawker, pedlar, petty chapman and any other trading person' travelling either on foot or with horses³.

The attitude of the community towards the pedlar disclosed a sharp divergence of opinion: one section looked upon him with favour and another section with disapproval. The comprehensive category of 'gentlemen, clergy, farmers and inhabitants' dwelling in the country 'found it convenient' to purchase their requirements at the hands of itinerant 'chapmen'; and they were "accustomed to deal with licensed hawkers and pedlars by whom they have been supplied with linen, cotton and silk goods of the manufacture of this kingdom at as fair and reasonable prices as elsewhere, at their own houses, without the expense of travelling to market towns"⁴. The resident traders or shopkeepers⁵, on the other hand, were strongly opposed to what they regarded as the unfair competition of hawkers and pedlars, who escaped the burden of rent, rates and ordinary taxation. The shops of the resident traders were of two kinds: in London and the more important provincial towns they specialized in a single branch of trade, but elsewhere they were 'general' shops trafficking in all manner of wares. Thus Celia Fiennes, who travelled through England in the reign of William and Mary, remarked that at Newcastle "their shops are good and are of distinct trades, not selling

*Public
attitude
towards
pedlars.*

¹ *Statutes*, iv. part i. 155.

² *Ibid.* iv. part ii. 1052. James I. granted a patent at 'a great rent' for licensing pedlars: *Remembrancia of the City of London*, 361; *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1214.

³ *Statutes*, vii. 266 seq. Exemption from the tax was conceded to sellers of fish, fruit and victuals, and to those offering for sale wares of their own making.

⁴ *House of Commons Journals*, xli. 763.

⁵ On shopkeepers, see *infra*, Appendix, p. 479, No. 1.

many things in one shop as is the custom in most country towns and cities" ¹. Both classes of shopkeepers were united in their hostility to the pedlar, and they kept up a ceaseless stream of protests. Near the end of Elizabeth's reign the Company of Upholsters in London complained to the Government that there had "of late risen up a great company of idle and wandering persons or petit chapmen, commonly called hawksters, who pass with upholstery ware from town to town by pack-horse, whereby petitioners are much impoverished" ². A century later a heterogeneous body of drapers, haberdashers, grocers, hosiers, glass-sellers, cutlers and others drew up a joint memorandum on the decay of their trades caused by the growing number of 'petty chapfolks' ³. The London glass-sellers, for instance, pointed out that, "dealing in commodities that take up a great deal of room", they were obliged "to hire great houses and sit at great rents"; while the itinerant dealers had grown "so presumptuous as to cry and profer both glasses and earthing ware before the very doors and shops of these that are legal sellers" ⁴.

*Defence
of the
pedlar.*

On their side the hawkers and pedlars represented that their trade was "of great advantage to the internal commerce of this kingdom", for by it "goods are introduced into remote parts in great abundance to the encouragement of the manufacturers and great increase of the revenue". They also explained that the nature of their trade required them "to have great stocks of goods on their hands, which they generally sell upon credit to labouring manufacturers and mechanics" ⁵. Thus in 1785—when they claimed to number fourteen hundred persons 'at least' in England—they computed that the hawkers and pedlars of Halifax and its neighbourhood alone had "no less owing them of outstanding debts in the country than £40,000; and they now stand indebted in large sums to the different merchants and manufacturers of London; Glasgow, Manchester, Leicester,

¹ Celia Fiennes, *Through England on a Side Saddle*, 177.

² *Hist. MSS. Comm. Salisbury*, xiii. 609-610.

³ *State Papers Domestic*, 1691-1692, p. 48.

⁴ Quoted Dunlop, *English Apprenticeship*, 116.

⁵ *House of Commons Journals*, xl. 1026.

Nottingham, Carlisle, etc." ¹. Individual pedlars sometimes accumulated wealth ²; and they often had chambers or warehouses where they stored their goods ³.

The organization of the woollen manufacture has been described in detail, not only on account of the exceptional importance of this branch of textiles, but also because it throws abundant light upon the dominating part which capitalism already played in English industry before the introduction of machinery. The other branches of textiles—cotton, silk, hosiery and linen—will be dealt with more briefly since their organization reproduced in its essentials the characteristic features of the woollen manufacture ⁴.

(II)

TEXTILES : COTTON

The cotton industry differed from the woollen industry in three important respects—it depended upon raw material imported from abroad; it was confined mainly to one part of England ⁵; and it was organized from the outset on capitalist lines. The use of cotton wool in the Middle Ages is shown by its importation into England as far back as the thirteenth century ⁶, though to what extent it entered into the manufacture of cloth it is impossible to say, especially since the term 'cotton' was applied to a species of woollen cloth. Thus Camden in 1586 described Manchester as excelling in its woollen cloths which "they call Manchester cottons" ⁷, while Kendal cottons were made of Westmorland wool ⁸. However, when the account book of a tailor in the reign of Henry VIII. mentions 'two yards of white *coten* for

Early references to cotton wool.

¹ *House of Commons Journals*, xl. 1008, 1026.

² For examples, see *Hist. MSS. Comm. Portland*, vi. 170-171; Clark, *Working Life of Women in the Seventeenth Century*, 32.

³ Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 78.

⁴ For coal and iron, see *infra*, sections vi. and vii. For paper-making and glass-making, see *infra*, vol. iii. 352, note 2.

⁵ For centres of the cotton industry other than Lancashire, see *infra*, p. 95.

⁶ Gras, *The Early English Customs System*, 222 (also see pp. 161, 169, 171, 271, 554).

⁷ Camden, *Britannia* (ed. 1586), 429.

⁸ Young, *Tour through the North* (ed. 1771), iii. 134.

your doublet'¹, we may perhaps infer that there was at least some admixture of cotton in the material. The fact that cotton wool was rated at ninepence the pound in 1581² suggests that it was not a luxury article, but was imported in sufficient quantities to allow it to be sold at the same price as sheep's wool was then sold³.

*Beginnings
of the
cotton
manu-
facture.*

The earliest historian of the cotton manufacture discovered no mention of it in England before 1641⁴; but a letter of the Levant Company^{5a}, instructing its factors at Aleppo to send cotton yarn for making fustians, carries back the history of the English cotton industry to the year 1586. A petition assigned to 1621 throws further light. It recited that "about twenty years past divers people in this kingdom, but chiefly in the county of Lancaster, have found out the trade of making of other fustians made of a kind of bombast or down—being a fruit of the earth growing upon little shrubs or bushes, brought into this kingdom by the Turkey merchants from Smyrna, Cyprus, Acre and Sidon—but commonly called cotton wool; and also of linen yarn most part brought out of Scotland, and othersome made in England, and no part of the same fustians of any [sheep's] wool at all". It was added that "at the least forty thousand pieces of fustian of this kind" were made yearly⁵. It has been conjectured that the cotton manufacture was established in England by refugees from the Netherlands⁶; and it is not improbable that they were responsible, if not for its introduction, at any rate for its expansion. Near the end of the sixteenth century there was an attempt to set up the industry in York—an inhabitant of Hartlepool undertaking to make fustians and employ not less than fifty persons in carding and spinning cotton wool⁷.

¹ *Hist. MSS. Comm.* vi. 570.

² *Acts of the Privy Council*, 1581-1582, p. 104.

³ For the price of sheep's wool in 1581, see Rogers, *A History of Agriculture and Prices*, v. 408; vi. 344.

⁴ Baines, *History of the Cotton Manufacture*, 100.

^{5a} See *infra*, Appendix, p. 482, No. 1.

⁵ Price, "On the Beginning of the Cotton Industry in England" in *The Quarterly Journal of Economics*, xx. 612. Fustian was a mixture of linen and cotton. It is therefore significant that as early as 1572 Lancashire and Cheshire, 'especially about Manchester', used Irish linen yarn: *State Papers Ireland*, 1509-73, p. 469; Longfield, "Anglo-Irish Trade in the Sixteenth Century", in *Proceedings of the Royal Irish Academy*, xxxvi. 326.

⁶ Baines, *History of the Cotton Manufacture*, 101.

In addition to Lancashire, its principal seat, the industry was also carried on in Dorsetshire, Cheshire and Derbyshire ¹. Another county which may have been associated with it was Devonshire, for Westcote, writing in 1630, quoted a popular saying about Pilton, which "vents cottons for lining"—"Woe unto you Piltonians that make cloth without wool"²—possibly an allusion to cloth made with cotton in place of sheep's wool.

In the course of the seventeenth century references to the cotton industry become numerous. It was mentioned by Roberts in a famous passage in *The Treasure of Traffike* (1641): "The town of Manchester in Lancashire must be also herein remembered and worthily, for their encouragement commended, who buy the yarn of the Irish in great quantity, and weaving it return the same again in linen into Ireland to sell; neither doth the industry rest here, for they buy cotton wool in London, that comes first from Cyprus and Smyrna, and at home work the same and perfect it into fustians, vermilions, dimities and other such stuffs; and then return it to London where the same is vented and sold, and not seldom sent into foreign parts, who have means at far easier terms to provide themselves of the said first materials"³. Although by 1641, the year when Roberts wrote, the supplies of cotton wool drawn from Cyprus and Smyrna were being supplemented, "and with better cheap, of our own plantations in the Western Islands"⁴, the Levant merchants still remained the chief channel of supply. After the passing of the Navigation Act under the Commonwealth⁵, they seized their opportunity to raise the price of cotton; and on behalf of the 'twenty thousand poor in Lancashire' employed in making fustians, a protest was registered against laws which "were better buried in oblivion". In seeking a dispensation from the Act in order to import cotton through

*Sources of
the raw
material.*

¹ *House of Commons Journals*, xix. 295, 418; xxii. 566. Experiments were made about the year 1736 with a view to setting up the cotton manufacture at Norwich: Smith, *Chronicon Rusticum-Commerciale* (ed. 1747), ii. 277. For York, see *infra*, vol. iii. 430.

² Westcote, *A View of Devonshire in 1630* (ed. 1845), 61.

³ Roberts, *The Treasure of Traffike* (1641), 32-33.

⁴ Robinson, *England's Safety in Trades Encrease* (1641), 14.

⁵ *Infra*, vol. iii. 121.

*Mixture of
cotton and
linen.*

Holland and France, it was represented that unless the price of cotton were considerably reduced the manufacture would revert to Hamburg, "whence our cheaper making gained it", since abroad cotton could be purchased at 6d. or 7d., while here it was sold at 18d. or 20d.; and it was impossible to raise the price of fustians on account of lower prices at Hamburg, namely, 16s. a piece, "which we cannot afford under 20s. though they used to be 12s. or 13s."¹ Fustian cloth was made of linen warp and cotton weft—the proportion was said to be two-thirds cotton and one-third flax²—and after the Revolution a London capitalist sought a patent for the exclusive right to manufacture what appears to be pure cotton cloth. He procured cotton wool from the West Indies, which was intended "to be spun so extraordinarily fine as to be fit" for the making of calicoes and muslins³. It is not improbable that some cloth was made wholly of cotton, but an admixture of linen was the common practice; and the Act of 1721, confirmed by 'the Manchester Act' of 1736, exempted printed cloth composed of the two materials from the prohibition against the wearing of printed calicoes⁴. Not until 1774 was the concession extended to pure cotton stuffs produced in Great Britain, in response to the representations advanced by Richard Arkwright on behalf of 'a new and promising British manufacture', that of pure cotton cloth⁵. The preamble of the Act of 1774 stated that "a new manufacture of stuffs, wholly made of raw cotton wool (chiefly imported from the British plantations), hath been lately set up within this kingdom, in which manufacture many hundreds of poor persons are employed". And whereas, proceeded the preamble, "the use and wear of printed, painted, stained or dyed stuffs, wholly made of cotton and manufactured in Great Britain, ought to be allowed under proper regulations: And whereas doubts have arisen whether the said new-manufactured stuffs ought to be considered as calicoes . . . and whether the wearing or use of the said new-manufactured stuffs, when the same are

¹ *State Papers Domestic*, 1654, pp. 73-74.

² This was stated in 1736: *House of Commons Journals*, xxii. 566.

³ *State Papers Domestic*, 1690-1691, pp. 445, 500.

⁴ *Infra*, vol. iii. 44.

⁵ *House of Commons Journals*, xxxiv. 496.

printed, painted, stained or dyed, are not prohibited by an Act passed " in 1721—it was now laid down that all persons may use or wear " any new-manufactured stuffs wholly made of cotton spun in Great Britain, when printed, stained, painted or dyed with any colour " ¹.

The growth of the cotton industry in the eighteenth century can be measured by the following statistics ². The remarkable increase near the end of the century was due to the invention of spinning machinery. *Statistics of the cotton industry.*

COTTON WOOL IMPORTED

1701	.	.	.	.	1,985,868 lbs.
1751	.	.	.	.	2,976,610 "
1781	.	.	.	.	5,198,778 "
1791	.	.	.	.	28,706,675 "
1801	.	.	.	.	56,004,305 "

OFFICIAL VALUE OF EXPORTED COTTON GOODS

1701	.	.	.	.	£23,253
1751	.	.	.	.	45,986
1780	.	.	.	.	355,060
1791	.	.	.	.	1,875,046
1801	.	.	.	.	7,050,809

The cotton industry from the earliest times appears to have been organized on a capitalist basis ; but, as in the woollen industry, there were two categories of producers. The small producer, who perhaps most nearly resembled the working master or domestic manufacturer of the West Riding of Yorkshire, bought linen yarn and raw cotton from dealers, employed spinners to convert the cotton wool into thread, wove the linen and cotton into cloth, and sold it at the weekly market to merchants who dyed and finished it ³. The large producer, corresponding to the clothier of the West Country, conducted operations on a more extended scale. The career of Humphrey Chetham shows that early in the seventeenth century prominent capitalists already existed in the cotton as in other branches of the textile *Organized on a capitalist basis.*

¹ *Statutes at Large*, viii. 366.

² Baines, *History of the Cotton Manufacture*, 346-350. In the eighteenth century " the European West Indian colonies with South America became the most important sources of supply of cotton wool " : Daniels, *The Early English Cotton Industry*, 16, 57-59 ; Wadsworth and Mann, *The Cotton Trade*, 183 seq.

³ Cf. Ogden, *A Description of Manchester* (1783), 74.

industry. Chetham was a manufacturer of fustians, in which capacity he employed spinners and weavers: in 1619 he and his brother had a joint stock of about ten thousand pounds, and they divided between them the control of 'the factory and business' in Manchester and in London. At the same time he was a general merchant dealing in a variety of articles; and among the rest he supplied cotton wool and linen yarn, probably to the small producers mentioned above, his accounts including items for the retail sale of Cyprus wool (cotton) and Irish yarn (linen) ¹.

*Evidence of
capitalism
in the
eighteenth
century.*

In the eighteenth century evidence of capitalism in the cotton industry becomes more abundant. A witness informed a parliamentary committee in 1736 that he and his brother employed upwards of six hundred looms in the weaving of fustians, and that one weaver provided work for at least four spinners ². It is significant, in this connexion, to observe that cotton operatives were included in the Act of 1749 against combinations ³—a further indication that the industry was organized on capitalist lines. In the face of the growing demand for cotton goods at home and abroad, it was found difficult to maintain a system under which the market was supplied, even though only partially, by small independent producers working on their own; and the expansion of the market afforded increasing scope for the enterprise of the capitalist entrepreneur. Ogden, whose *Description of Manchester* was published in 1783, gave the following version of the changes through which he conceived the Manchester trade to have passed. He related that at first the Manchester 'chapmen' were nothing more than dealers who made their purchases of cloth at Bolton, then 'the principal market' for fustians, but who were forced eventually to assume responsibility for the manufacturing processes and the provision of materials ⁴. "These Man-

¹ Raines and Sutton, *Life of Humphrey Chetham*, i. 13-15, 30. There were also yarn dealers in the eighteenth century. A witness stated in 1736 that he bought £1000 worth of linen yarn at a time, and sold most of it to fustian manufacturers: *House of Commons Journals*, xxii. 566.

² *House of Commons Journals*, xxii. 566.

³ *Infra*, vol. iii. 401.

⁴ This statement must be understood to apply only to some of the Manchester dealers. Others, including Humphrey Chetham, were from the first both dealers and manufacturers.

chester chapmen went over regularly on market days to buy fustian pieces of the weavers ; every weaver then procuring [linen] yarn or [raw] cotton as they could to make another piece, which subjected them to great impositions and inconveniences. The buyers were disappointed and suffered in their turn when the demands of trade were brisk. To remedy this inconvenience, some of them furnished [linen] warps and [spun cotton] wool to the weavers, and employed persons to put warps out to the weaving by commission ; and encouraged many weavers to fetch them from Manchester, endeavouring to secure the honesty and care of their workmen, upon bringing in the piece, by the force of good usage and prompt payment, but reserving to themselves a power of abatement for deficiency in the spinning or workmanship " ¹. Then occurred another change when cotton wool was given out in place of cotton yarn. " From the time that the original system was changed in the fustian branch of buying pieces in the grey from the weavers, by delivering them out work, the custom of giving them out weft in the cops ², which obtained for a while, grew into disuse as there was no detecting the knavery of spinners till a piece came in woven ; so that the practice was changed and [cotton] wool given with [linen] warps, the weaver answering for spinning " ³ as well as for weaving. This last change, in so far as it was in actual operation, proved detrimental to the weaver because in times of pressure the spinners were unable to spin sufficient quantities of cotton wool to serve his needs. " Those weavers whose families could not furnish the necessary supply of weft had their spinning done by their neighbours, and were obliged to pay more for the spinning than the price allowed by their masters ; and even with this disadvantage very few could procure weft enough to keep themselves constantly employed. It was no uncommon thing for a weaver to walk three or four miles in a morning and call on five or six spinners before he could collect weft to serve him for the remainder of the day ; and when he wished to weave a

Ogden's description.

¹ Ogden, *A Description of Manchester* (1783), 74.

² *I.e.* spun cotton yarn for weft.

³ Ogden, *A Description of Manchester* (1783), 88.

piece in a shorter time than usual a new ribbon or gown was necessary to quicken the exertions of the spinner" ¹. However, as Ogden remarked in 1783, "when jennies were introduced and children could work on them, the case was altered" ².

The wages paid to Manchester operatives depended upon the species of manufacture. Arthur Young enumerated four principal branches—fustian, check, worsted small wares, and hats. All these were split up into numerous sub-divisions 'of distinct and separate work': in fustians there were thirteen sub-divisions, in checks nine, in hats five. Wages ranged from 3s. to 12s. (fustians), 6s. to 10s. (checks), 7s. 6d. to 12s. (hats), 5s. to 12s. (small wares) ³.

(III)

TEXTILES: SILK

Dependence upon foreign raw material.

The silk industry, which was established in England in the Middle Ages ⁴, resembled the cotton industry in its dependence upon foreign raw material. The fine silk came from China, Italy and Spain; the coarse from Turkey, Persia and Bengal ⁵. James I. endeavoured to promote the native growth of silk and instructed the lord-lieutenants of counties to encourage the planting of mulberry trees ⁶: attempts were also made to produce silk in the colonies ⁷. In fact, one of the problems of the industry was to obtain adequate supplies of material, especially in the eighteenth century. Italy, whence came most of the fine raw silk, sought to restrict exportation to thrown silk ⁸: Spain pro-

¹ Guest, *A Compendious History of the Cotton Manufacture* (1823), 12.

² Ogden, *A Description of Manchester* (1783), 88.

³ Young, *Tour through the North* (ed. 1771), iii. 187 seq.

⁴ *Supra*, vol. i. 362.

⁵ *House of Commons Journals*, xxv. 996, 1061; xxx. 213. *The British Merchant* (ed. 1721), ii. 217. Gee, *The Trade and Navigation of Great Britain* (ed. 1730), 9, 93. For Persian silk, see *infra*, p. 349, and Macpherson, *Annals of Commerce*, iii. 240-241. For the amount imported, see *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1987 (1642); *State Papers Domestic*, 1671, p. 6.

⁶ *Harleian Miscellany* (ed. Malham), iii. 80 seq. He also brought over workmen from France to manufacture silk: *State Papers Venetian*, 1607-1610, p. 153.

⁷ *Infra*, vol. iii. 186.

⁸ 'Throwing' silk means twisting it into thread.

hibited the export of raw silk : and the monopoly of the Levant Company was said to curtail supplies from Turkey ¹.

The silk industry was exposed, more than any other branch of textiles, to foreign and especially French competition. A writer after the Restoration remarked that "our women, who generally govern in this case, must have foreign silks" ² : and nearly three-quarters of a century later it was still regretted that "nothing that is mere English goes down with our modern ladies. . . . They must be equipped from dear Paris" ³. Perhaps—in spite of the claim that English goods were inferior in nothing but the price ⁴—they shared the view, expressed by London mercers in the eighteenth century, that "the English execution was preferable to the French but the French excel in taste" ⁵. The growth of the silk industry after the Revolution was attributed by contemporaries to the prohibition of French goods ⁶, yet though this may have given a momentary stimulus, more important in its permanent influence was the immigration of alien silk workers, particularly Huguenots, who settled in Spitalfields ⁷. They introduced, or at any rate developed, the making, dressing and lustrating ⁸ of silks called alamodes, lustrings, renforces. A patent for their sole manufacture was granted by James II., and in 1692 the Royal Lustring Company was formed to work the patent, but the fashion was short-lived ⁹. While London devoted itself to lustrings and alamodes, Coventry made ribbons, Macclesfield silk buttons, and Norwich a mixture

¹ *House of Commons Journals*, xxi. 782 (1732) ; xxiv. 603 (1744) ; xxv. 933 (1750). Gee, *The Trade and Navigation of Great Britain* (ed. 1730), 93.

² *Britannia Linguens* (1680), 186.

³ Campbell, *The London Tradesman* (1747), 197.

⁴ *Hist. MSS. Comm. Le Fleming*, 125 (1676) ; J. B., *An Account of the French Usurpation upon the Trade of England* (1679), 10.

⁵ *House of Commons Journals*, xxx. 211 (1765).

⁶ *Ibid.* xi. 496 (1696) ; *The British Merchant* (ed. 1721), i. 14. For the prohibition, see *infra*, vol. iii. 104 (also vol. iii. 44, note 6). For the bounty on silks : *infra*, vol. iii. 21.

⁷ Also in Canterbury and Norwich : Smiles, *The Huguenots*, 326, 336. French silk workers also settled in England in the early part of the seventeenth century : *ibid.* 325.

⁸ The imparting of a lustre.

⁹ *State Papers Domestic*, 1691-1692, pp. 282, 387 ; *House of Lords MSS.* 1695-1697, pp. 138 seq. ; *The British Merchant* (ed. 1721), ii. 220 ; Carr, *Select Charters of Trading Companies*, pp. cxi-cxiii, 231 ; Scott, *Joint-Stock Companies*, iii. 73.

of silk and wool¹; so that local specialization existed in the silk as in the woollen industry.

*Hostility of
native silk
workers.*

As a consequence of the improvements effected by alien immigrants, the silk industry was pronounced early in the eighteenth century to be "one of the most considerable branches of the manufactures of this kingdom"², although the estimates of the numbers employed are conflicting³. But the benefits which aliens had conferred upon the industry did not disarm the opposition of the native silk workers, whose organization afforded them the means of harassing their competitors. The London Weavers' Company dated from the twelfth century, though its connexion with silk came much later⁴. In the reign of Charles I. the Company sought extended powers in order to obtain control over alien weavers who had invented looms with twelve to twenty-four shuttles worked by one man's hand, "which takes away the work of a dozen men", and who refused to employ English journeymen or apprentices and kept the sale of their wares in their own hands⁵. The application eventually succeeded, and in 1638 the corporation was enlarged to comprise the whole of England and Wales, and invested with fresh powers of search⁶. A few years earlier (1629) the silk throwers of London were incorporated⁷; and after the Restoration the radius of the latter's authority was increased from four to twenty miles, and it was enacted that no one should exercise the trade of a silk

¹ *Victoria County History, Warwickshire*, ii. 257-258; Cunningham, *Alien Immigrants*, 237. For Canterbury, see *House of Commons Journals*, xi. 496; Defoe, *A Plan of the English Commerce* (ed. 1728), 293.

² *Statutes at Large*, v. 260 (1721). Similarly: Defoe, *op. cit.* 164, 293-294.

³ In evidence before a committee of the House of Lords, 1694, the beadle of the Throwers' Company stated that they numbered 80,000; one of the assistants 'believed' they were 30,000; another witness spoke of 200,000: *House of Lords MSS.* 1693-1695, p. 322. See also *The British Merchant* (ed. 1721), ii. 315.

⁴ They made worsted stuffs, silks and (later) stuffs mixed with silk and cotton. *House of Commons Journals*, xxii. 589. For the early history of the London Weavers, see *supra*, vol. i. 365 *seq.*, 466 *seq.*, 499 *seq.*

⁵ *State Papers Domestic*, Addenda, 1625-1649, p. 313 (? 1628). For this invention, see *infra*, vol. iii. 52.

⁶ The Company agreed to pay 8d. upon every pound of silk, and aliens were to pay 12d.: *State Papers Domestic*, 1637-1638, p. 454.

⁷ *Statutes*, v. 407; *State Papers Domestic*, 1629-1631, p. 28.

thrower without first serving a seven years' apprenticeship¹. But later (1668) Parliament intervened to annul ordinances of the Company limiting the number of apprentices and spindles—silk throwers having been forbidden to use above 160 spindles at a time². Both Companies used their power to oppress alien workers, "laying extraordinary impositions and taxes on them", and bringing suits against them for alleged infringements of their privileges³.

The modern factory system had its beginnings in the silk industry, and Thomas Lombe⁴ was to silk what Richard Arkwright half a century later was to cotton. Lombe's achievement, as related in an application to Parliament for an extension of the patent granted to him in 1718, was that he had "at his own expense and with the utmost difficulty and hazard discovered and introduced into this kingdom the art of making fine Italian organzine⁵ or thrown silk, out of fine raw silk, by large engines of a most curious and intricate structure". Organzine silk was used to make the warp of fine silks, the silk thrown by English silk throwers being only fit for weft; and several species of silk goods, lustrings, alamodes and others, were wholly made with organzine silk. The application was approved, although it was opposed by the London Company of Silk Throwers and by the municipal authorities of Derby, who asserted that the erection of the silk mill in their midst on the River Derwent had increased the burden of the poor rates⁶. By 1765 the number of English mills manufacturing organzine silk on Lombe's method was seven, apart from other mills for throwing. These mills employed hundreds of workers, chiefly women

*Beginnings
of the
modern
factory
system.*

¹ 1662: *Statutes*, v. 407-408.

² 240 in the case of an official: *ibid.* v. 640.

³ *Acts of the Privy Council*, 1599-1600, p. 477; Coke, *Treatise* (1671), i. 89.

⁴ The invention was brought to England by his brother, John Lombe: *The Dictionary of National Biography* (s.v. Lombe); Smiles, *Men of Invention and Industry* (ed. 1884), 112 seq. See *infra*, Appendix, p. 482, No. 2.

⁵ "The strongest and best kind of silk thread": *Oxford English Dictionary*.

⁶ *House of Commons Journals*, xxi. 782, 795, 840; *Statutes at Large*, v. 583. It was stated that the price had been reduced by Lombe's machine from 25s. to 20s. per lb. An engine for making thrown silk is referred to in a proposal (1692) to form a joint-stock company for working Italian raw silk: *State Papers Domestic*, 1691-1692, pp. 253-254, 286-287, 302-303.

and children from seven years of age. According to the statement of a silk thrower in 1765, he employed 1500 at a time (only 100 were men)—500 in London, 400 in Dorset, 400 in Cheshire, and 200 in Gloucestershire. At Macclesfield seven firms engaged between them 2470 men, women and children (the largest of them 720); and a London firm employed 800. On the weaving side two partners maintained 100 looms¹; and in this branch of the silk industry, also, there was concentration of the workers under the employer's roof—at Canterbury Celia Fiennes saw 'twenty looms in one house'². All this points to large-scale production in the eighteenth century; and even where the silk weaver worked on his own, his independence was apt to be nominal. He often had to rely for supplies of raw material upon the richer men of the trade, who were 'merchants as well as mechanics', and who took the commodity off his hands when manufactured³. His position was thus scarcely distinguishable from that of a weaver working for wages⁴.

(IV)

TEXTILES: HOSIERY

William
Lee's
invention.

The art of hand-knitting had been practised in England in the Middle Ages: it was revolutionized in the second half of the sixteenth century by the invention of a knitting frame, which exactly imitated the hand-knitter's movements but worked with much greater speed⁵. This was the achievement of William Lee⁶, a clergyman like Cartwright the inventor of the power loom and the combing machine. The frame, which Lee completed in 1589, at first made worsted stockings: it was adapted for the weaving of silk stockings

¹ *House of Commons Journals*, xxx. 93, 208-219, 725.

² *Temp. William and Mary: Through England on a Side Saddle*, 101.

³ Yarranton, *England's Improvement* (1677), 169, 178.

⁴ On the Act for the regulation of the wages of silk weavers, see *infra*, vol. iii. 270.

⁵ By skilful hand-knitting 100 loops were formed in a minute; on Lee's frame first 600, then as many as 1500 loops; later even greater speed was achieved: Felkin, *A History of the Machine-Wrought Hosiery*, 49.

⁶ See Beckmann, *A History of Inventions* (ed. 1846), ii. 369; and Felkin, *op. cit.* chapter iii.

a decade later. At the invitation of Sully the inventor retired to France, but his hopes of royal patronage were disappointed by the assassination of Henry IV., and in 1610 he died in exile, a fate afterwards to befall the inventor of the fly shuttle. Upon Lee's death most of his frames were brought back to England, and others were built in London and Godalming, as well as in Nottinghamshire, the original seat of the new industry, from whence it spread into the adjoining counties, Derbyshire and Leicestershire¹. Machine-wrought hosiery having started subsequent to the Statute of Apprentices², the legal obligation to serve an apprenticeship could not be enforced, and in order to control the admission to the trade the London frame-work knitters petitioned under the Commonwealth to be incorporated³. Cromwell conferred on them a charter in 1657⁴, and another was obtained after the Restoration (1663), which empowered them to make by-laws for the government of the society and the prevention of fraudulent work; to search all frame-work knitted goods whether they "be workman-like wrought, and if found badly made or of deceitful stuff, to cut the same in pieces and to fine the parties making them"; and to appoint deputies in any part of the kingdom "with full powers and authority". All frame-work knitters were required to become members of the Company, and a seven years' apprenticeship was made obligatory⁵.

Two problems confronted the Company—one was to prevent foreign countries wresting from England the secret of frame-work knitting; the other was to bring the provinces under the control of London. In their petition to Cromwell the frame-work knitters represented that the manufacture had "gained so good repute that the vent thereof is now more foreign than domestic"⁶. Its profitable character—

*Export of
knitting
frames.*

¹ Felkin, *op. cit.* 60-62. An improvement in the machine was devised by Aston, a former apprentice of Lee. See *infra*, Appendix, p. 482, No. 3.

² *Infra*, vol. iii. 282. ³ *State Papers Domestic*, 1655-1656, p. 77.

⁴ *Ibid.* 1658-1659, p. 215.

⁵ *House of Commons Journals*, xiii. 316; Felkin, *op. cit.* 68-70.

⁶ Cf. *Hist. MSS. Comm. Various*, ii. 200 (1657): "Our worsted stockings are in great request all Europe over." A traveller in 1730 remarked that "at Naples when a tradesman would highly recommend his silk stockings, he protests they are right English": Macpherson, *Annals of Commerce*, iii. 160.

"the Englishman buys silk of the stranger for twenty marks and sells it him again for a hundred pounds"—inspired 'covetous and envious' attempts to establish the trade in foreign countries, but it still remained a concealed mystery "to the nimble spirits of the French, the fertile wits of the Italian, and the industrious inclination of the Dutch"¹. Efforts were made to transport knitting frames abroad—in 1658, for example, an Italian merchant ordered thirty to forty frames for export at £80 each (this is noted as 'a high price')—and to induce members of the Company to set up in other countries². In spite of the Company's activity, backed by royal proclamations, it was found impossible to prevent the transport of knitting frames. Between 1670 and 1695 more than 400 frames had been sent out of the kingdom, nearly one-third of the number in London³. In 1696 the export of knitting frames was prohibited by Act of Parliament⁴.

*Growth of
the manu-
facture in
the pro-
vinces.*

The Company experienced more difficulty in dealing with its other problem. The attempt to exercise control over the trade in the provinces excited great opposition, and complaints of 'unreasonable ordinances and exactions' were frequent. It was charged against the Company that it required every apprentice, when out of his time, to go to London to take up his freedom, and that it exacted dues on various pretexts⁵. The root of the trouble lay in the jealousy with which London viewed the growth of the manufacture in provincial centres. This jealousy of the industrial growth of the provinces in the eighteenth century was the counterpart of the provincial jealousy of London's commercial growth in the seventeenth century⁶. In 1660 London had 400 frames and the provinces 250: in 1727 it had 2500 and

¹ The petition is printed in Felkin, *op. cit.* 63 *seq.*

² *State Papers Domestic*, 1658-1659, p. 215. Similarly: *ibid.* 1659-1660, p. 404 (for France); 1666-1667, p. 84 (for Portugal); 1678, pp. 373, 375-376. *House of Commons Journals*, xi. 533. *Tudor and Stuart Proclamations* (ed. Steele), i. No. 3452. *Hist. MSS. Comm. Le Fleming*, 59.

³ London had 1500 frames in 1695: Felkin, *op. cit.* 71.

⁴ *Statutes*, vii. 98.

⁵ *House of Commons Journals*, xi. 51 (1694); xiii. 131, 315-316 (1700). The Company replied that the regulation only concerned apprentices of London freemen.

⁶ See *infra*, p. 250.

the provinces 5500 : in 1750 it had 1000 and the provinces over 12,000¹. The disparity was due partly to economic causes—the work could be done more cheaply in the provinces, where the earnings of an artisan averaged 10s. a week, than in London where they averaged 15s.²; but it was promoted by the policy of the Company in limiting the number of apprentices. To some extent this policy was forced on it by the violent conduct of the journeymen: in 1710 they smashed a hundred frames belonging to masters who had disregarded the rule to keep one journeyman for every three apprentices. To escape the Company's restrictions some of the masters removed their businesses into the provinces: one had as many as forty-nine apprentices, largely parish apprentices, another twenty-five, and a third twenty-three. The London authorities imposed fines, amounting in one case to £400, but when an action was tried in a court of law (1728) the judges returned a verdict against them on the ground that frame-work knitting was not a trade at the time of the passing of the Statute of Apprentices³. In order to meet the competition of the provinces which undersold the London makers, the Company established in 1720 a joint stock. A capital of two millions was contemplated, and each of the eighteen assistants was to be assigned £1000 worth of stock for which he paid nothing; actually the working capital was only £10,000, representing the accumulated funds of the Company. When this amount was exhausted the Company became impoverished, and it was to replenish its funds that it sought occasions for exactions which increased the discontent of the provincial members⁴. Matters came to a head in 1753. Parliament appointed a committee to investigate the complaints of frame-work knitters that the Company was seeking to extend its jurisdiction over the whole kingdom—it had erected a court in Nottingham to exercise authority

¹ Felkin, *op. cit.* 67, 72, 76. In 1750 the total in Great Britain and Ireland was 14,000, the Midland counties alone having 10,000; Scotland had only a few: *ibid.* 117.

² Early eighteenth century: *ibid.* 72. But in 1747 Campbell noted that in London they seldom earned above 9s. or 10s. a week: *The London Tradesman*, 215.

³ Felkin, *op. cit.* 73-75, 227.

⁴ *House of Commons Journals*, xxvi. 785 seq.; Felkin, *op. cit.*, 73-74.

there—and to monopolize the lending of frames for hire ¹. The by-laws complained of related to the appointment of deputies outside London ; the inspection of workshops ; the obligation to serve an apprenticeship and produce a ' masterpiece ' as a test of skill ; the restriction to members of the right to hire out frames. The committee resolved that these by-laws were " injurious and vexatious to the manufacturers, and tend to the discouragement of industry " ². This resolution put an end to the effective exercise of the Company's authority over the industry as a whole. In 1782 the number of frames in London had fallen to 500, and the trade was now chiefly concentrated in the Midland counties—in Leicester for woollen, Derby for silk, and Nottingham for cotton hosiery : these three midland counties numbered 17,350 frames ³.

*Hiring of
frames.*

The regulation governing the hiring of frames draws attention to what subsequently became the most characteristic feature in the organization of the industry. The price of a frame in the eighteenth century was £23 to £28 ⁴, so that the practice gradually developed for frames to be rented by knitters : thus in 1753 a stocking manufacturer at Leicester owned a hundred frames which he let out on hire ⁵. In London a journeyman who had no loom of his own paid two shillings a week for the hire of one ⁶. Eventually there arose a class of owners who had no connexion with the industry except that they hired out frames in which they had invested their capital ⁷. The effect of this system of renting frames was, according to the common belief, to increase both machines and hands to work them beyond the real requirements of the industry, especially in the early part of the nineteenth century. The frame-work knitter sold his products to the ' stocking-trader ' ⁸ or worked for an employer : in Nottingham in the middle of the eighteenth century there were fifty manufacturers, known as ' putters out ', who

¹ *House of Commons Journals*, xxvi. 593, 604, 615, 620-621, 624, 628.

² *Ibid.* 779-794.

³ Felkin, *op. cit.* 117.

⁴ *House of Commons Journals*, xxx. 214.

⁵ *Ibid.* xxvi. 787.

⁶ Campbell, *The London Tradesman* (1747), 215.

⁷ Felkin, *op. cit.* 79, 435, 454-455.

⁸ *State Papers Domestic*, 1635, p. 10.

employed 1200 frames¹. Where the knitter worked on an employer's material the industry was organized on a capitalist basis, although the work was done in the home of the worker.

(v)

TEXTILES : LINEN

Linen was manufactured in mediaeval England. One centre of the industry was London where the linen weavers were organized in a gild with their own officials and ordinances²: another was Aylsham in Norfolk³. In order to produce the raw material at home, the cultivation of hemp and flax was persistently advocated in the sixteenth and seventeenth centuries. Henry VIII. (1533) and Elizabeth (1563) required all owners of sixty acres or more to grow hemp or flax⁴; the commission of trade set up in 1622 was instructed by James I. to consider how the sowing of hemp and flax might be encouraged⁵; and it continued to be the favourite proposal in later years in the expectation that "in a very short time we might all wear our own linen"⁶. But land in England was too dear to make hemp and flax profitable⁷, and attempts were therefore made to raise supplies in America by the grant of a bounty⁸.

Efforts to produce the raw material in England.

In the later seventeenth century the dependence of England on other countries for linen⁹ attracted attention because it infringed the mercantilist principle of self-sufficiency. One suggestion was to erect workhouses where the

¹ Felkin, *op. cit.* 83; *House of Commons Journals*, xxvi. 781.

² *Letter Book I. of the City of London* (ed. Sharpe), 223, 271.

³ Rogers, *A History of Agriculture and Prices*, i. 574; iv. 556. Linen warp was used at Norwich by the 'bedweavers': *Norwich Records*, ii. 99. The Act of 1559 prohibited abuses in stretching linen cloth: *Statutes*, iv. part i. 374.

⁴ Repealed in 1593; *Statutes*, iii. 421 (1533); iv. part i. 425 (1563); iv. part ii. 855 (1593). *State Papers Domestic*, 1547-1580, p. 517.

⁵ Rymer, *Foedera*, xvii. 415; Stowe MSS. 554, f. 45.

⁶ *Considerations Touching Trade* (1641), 15; R. H., *The Prevention of Poverty* (1674), 5; J. B., *An Account of the French Usurpation upon the Trade of England* (1679), 12.

⁷ Gee, *The Trade and Navigation of Great Britain* (ed. 1730), 84.

⁸ *Infra*, vol. iii. 186. This policy was advocated by Gee, *op. cit.* 75-76, 84; and by Postlethwayt, *Dictionary of Trade and Commerce*, s.v. Linen.

⁹ Fine linen came from Holland and Flanders, coarse linen from France and Germany: Yarranton, *England's Improvement* (1677), 45, 144-145.

And to
develop a
native linen
industry.

poor should be compelled to come and learn the trade ; another was to establish public schools everywhere, as they did in Germany, where children should be taught to spin ; a third was to remove the duty on imported yarn and increase that on imported coarse linen¹. These expedients were open to the criticism that it was not in the national interest to promote the linen manufacture, since land and labour could be employed more profitably on 'our noble staple of wool' in which this country need not fear foreign competition². The argument that England should discard the ideal of self-sufficiency, and concentrate her energies upon industries for which she was best fitted, anticipated the fundamental doctrines of free trade—it did not, however, prevent steps being taken to develop a native linen industry. In 1663 permission was given by Act of Parliament to natives and foreigners "freely and without paying any acknowledgement, fee or other gratuity for the same in any place of England or Wales, privileged or unprivileged, corporate or not corporate, to set up and exercise the trade [of linen]"³. The coming of the Huguenots furnished an opportunity to take advantage of the Act. Some settled at Ipswich where they started to make fine linen under the superintendence of a skilled manufacturer from Paris⁴ ; and *The British Merchant* claimed in 1713 that the linen industry had "of late very much improved"⁵. Capital for the development of the industry was provided by a joint-stock company, 'The King and Queen's Corporation for the Linen Manufacture in England', formed in 1690 to introduce the French method of making and bleaching fine white linen⁶. But the company soon ceased to be a manufacturing concern, and its activities were confined to the sale of linen bought from weavers in Yorkshire, Durham and Lancashire⁷. Another company, incorporated in 1764 by

¹ Houghton, *Husbandry and Trade Improv'd* (ed. 1728), iv. 114 seq. ; Yarranton, *England's Improvement* (1677), 47.

² Davenant, *Works* (ed. 1771), i. 110-111.

³ *Statutes*, v. 498.

⁴ Smiles, *The Huguenots*, 337. See *infra*, Appendix, p. 482, No. 4.

⁵ *The British Merchant* (ed. 1721), i. 5.

⁶ *State Papers Domestic*, 1690-1691, pp. 186-187 ; Scott, *Joint-Stock Companies*, iii. 90 seq. ; Carr, *Select Charters of Trading Companies*, 212.

⁷ *House of Commons Journals*, xii. 435 (1698).

the name of the English Linen Company, established a 'manufactory' of cambrics and lawns at Winchelsea; over £20,000 was expended on buildings and for other purposes; it had 86 looms at work; and it employed 160 spinners, winders and weavers, chiefly French and Flemings, besides 26 apprentices¹.

In the controversy over the French trade² the position of the English linen industry was presented in an optimistic light, in order to strengthen the argument that we could dispense with French goods³. Another account of the industry in 1738 depicted its condition less favourably. It stated that most of the counties north of the Trent made coarse linen, but the quantity produced in Great Britain and Ireland did not answer for above one-fourth of the home consumption in England, and there were several kinds of linen which could not be made in Scotland or Ireland⁴. Linen was made in many parts of England—in Manchester and other Lancashire towns, near York, for a radius of eight or ten miles around Knaresborough, at Bromsgrove, Carlisle, Chester, Cleveland, Darlington and Lowther, near Reading, about Leicester and Derby, in Dorset, Hampshire, Northumberland, Somerset, Wiltshire⁵. The industry enjoyed a measure of State protection, since linen when exported not only paid no duty (1716), but received a bounty (1743)⁶. Moreover in 1756 the duties on imported yarn were removed in the interests of the linen manufacturers⁷, amidst protests from Glasgow, Paisley, Hull, Preston and other places which objected that "the duty on foreign yarn being

Condition of the linen industry in the eighteenth century.

¹ *Statutes at Large*, vii. 485; *House of Commons Journals*, xxix. 785.

² *Infra*, vol. iii. 99 seq.

³ The value of the native linen manufacture was represented at three-quarters of the amount imported into England: *The British Merchant* (ed. 1721), i. 13; ii. 209-215.

⁴ *House of Commons Journals*, xxiii. 77, 121. In 1756 it was stated that England produced about one-third of her requirements (about 25,800,000 yards were made here; 30,000,000 were imported from the Continent; 12,200,000 from Ireland; 12,000,000 from Scotland): Gill, *The Rise of the Irish Linen Industry*, 11.

⁵ *House of Commons Journals*, xvii. 408; xxv. 870; xxxiv. 208. *Reports from the Committees of the House of Commons*, ii. 67-69; iii. 105.

⁶ *Statutes at Large*, v. 77 (1716); vi. 186-187 (1743). For the amount paid 1743-1771, see Macpherson, *Annals of Commerce*, iii. 515-516.

⁷ Linen yarn was also mixed with cotton (to make fustians: *supra*, p. 96) and wool (to make linsey-woolsies: Yarranton, *England's Improvement*, 1677, p. 146).

taken off will ruin thousands of families who have no other way of subsistence but by spinning" ¹.

(VI)

COAL

*Early
history.*

The use of coal ² as a fuel was known in Roman Britain, but the real beginnings of its history date from the thirteenth century when references become frequent ³. The prejudice against coal died hard ⁴; and the principal cause of the eventual growth of coal-mining was the inadequacy of the woods of England to meet the fresh demands made upon them in the sixteenth and seventeenth centuries ⁵. The heavy pressure upon the available supplies of timber was due to the increasing consumption of wood for house-building, for the domestic hearth, for an expanding mercantile marine, and for rapidly developing industries such as iron, glass, etc. Thus the progress of coal-mining must be related to the general industrial movement of which it was an integral part; while the introduction of improved fireplaces encouraged the substitution of coal for wood in the homes. Moreover the dissolution of the monasteries replaced the ecclesiastical owners of mineral-bearing properties (for example, in Durham and Northumberland) by lay owners, who were more ready to seize upon opportunities of financial profit. It is true that some monasteries carried on coal-mining operations ⁶; but their less conservative successors either granted leases on favourable terms, or sold the land outright, to mining adventurers ⁷. This opened the way for an intensive exploitation. In addition the wide distribution of the coal beds, and the facilities for conveying coal by sea and river transport ⁸, helped in a considerable degree to make coal 'the general fuel' of

¹ *Statutes at Large*, vii. 97, 100; *House of Commons Journals*, xxvii. 429, 444, 460-464, 482. See *infra*, Appendix, p. 482, No. 5.

² See *supra*, Introduction, pp. xl-xli. On the coal measures (Newcastle and London chaldrons), see *infra*, p. 148, note 5.

³ On the early history of coal-mining, see Brand, *The History and Antiquities of Newcastle-upon-Tyne* (1789), ii. 241 *seq.*; Galloway, *Annals of Coal Mining*; Salzman, *English Industries of the Middle Ages*, chapter i.; Nef, *The Rise of the British Coal Industry*, i. Introduction.

⁴ See *infra*, Appendix, p. 483, No. 1.

⁵ *Infra*, p. 156.

⁶ *Infra*, vol. iii. 208, note 1.

⁷ Nef, *op. cit.* i. 134 *seq.*

⁸ See *infra*, pp. 115 (and note 1), 153.

England. In consequence it speedily attained recognition as "one of the greatest home trades in the commonwealth of England" ¹.

In the seventeenth and eighteenth centuries coal-mining ranked in general estimation next to the woollen industry: important alike to the householders—and especially 'the poorer sort' whose 'only and most necessary' fuel was coal ², and for whom winter shortage meant 'insupportable misery' ³—as well as to the manufacturers in many industries ⁴. The 'grand commodity of the northern counties' ⁵, coal now furnished employment to large numbers of underground workers and seamen. "They tell us", wrote Defoe, "thirty thousand people are always employed underground in digging coal at Newcastle-upon-Tyne; a thousand sail of ships or not many fewer are employed in carrying them; and ten thousand seamen, lightermen, keelmen and boatmen in the loading, carrying and unloading the coals" ⁶. The value of the coal produced at Newcastle was estimated in 1725 at £250,000 per annum ⁷.

Place of coal in the national economy.

"England's a perfect World! has Indies too!
Correct your Maps: Newcastle is Peru" ⁸.

Newcastle, indeed, stood in a relation to London not unlike that in which Egypt with her corn granaries stood to Imperial Rome ⁹; and it was believed that those who gained

¹ *Hist. MSS. Comm. Leeds*, 271. "Universally used", wrote Petty: *Economic Writings*, ii. 394.

² *A Record of Some Worthie Proceedings in 1611* (published 1641), 41.

³ *Ordinance for the Cutting and Selling of Wood* (1643)—alluding to sea-coal. Coal was spoken of as "fuel growing underground for the commodity of the poor": *Hist. MSS. Comm. Various*, ii. 194.

⁴ A petition against the price of coal was presented in 1739 on behalf of brewers, brick-makers, calico-printers, distillers, dyers, founders, glass-makers, lime-burners, smiths, soap-boilers and sugar-bakers, who were described as "consumers of large quantities of coal": *House of Commons Journals*, xxiii. 263. See *infra*, Appendix, p. 484, No. 1.

⁵ *Newcastle Merchant Adventurers*, i. 195 (1659).

⁶ Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 134.

⁷ *Hist. MSS. Comm. Portland*, vi. 106.

⁸ *News from Newcastle* (1651). See *infra*, Appendix, p. 484, No. 2.

⁹ At first London drew almost all its coal from Newcastle. In 1609 the coast-wise shipments of Newcastle amounted to 214,305 tons, and those of Sunderland and Blyth to 10,120 tons: Welford, *History of Newcastle*, iii. 186. At the end of the century London drew two-thirds of its supply from Newcastle and one-third from elsewhere: *Report on the Coal Trade*, iii. 8, in *Parliamentary Papers* (1871), xviii. In 1700 the amount of sea-coal

Importance of Newcastle.

possession of the northern centre of the coal trade could hold the kingdom to ransom. At the time of the Scottish invasion in 1640 it was declared that "their plot is to be master over the Tyne and Sunderland, and by stopping the coal trade to compel the King and kingdom of England to grant them more than ever yet they desired"¹; and the leaders of the Scottish army were at pains, in a letter to the lord mayor and aldermen of London, to disclaim any intention of interfering with the free traffic in coal 'so necessary for the city of London and other places'². Nevertheless the suspicion persisted, and when the Scots occupied Newcastle in 1644 the Venetian envoy in England wrote home that their position gave them "a great advantage over London because of the control of coal supplies. It will add force to the instances of the Scottish commissioners for the payments due . . . and for the introduction of Presbyterianism . . . and to bring pressure on the English to co-operate in their present aims"³. Three-quarters of a century later those who supported the Pretender in the Rebellion of 1715 cherished the expectation that "the possession of Newcastle would be of great advantage many ways, particularly in respect to the obstruction that might be given by that means to the coal trade, which would either induce London to declare" in favour of a Stuart restoration, "or at least distress the Government"⁴.

Statistics of coal.

The progress of the northern coal trade may be measured by the quantity of coal shipped from the Tyne and Wear⁵:

1609	.	250,909 tons	1750	.	1,193,457 tons
1660	.	537,000 "	1770	.	1,551,350 "
1700	.	653,000 "			

imported into London was 335,114 London chaldrons: *House of Lords MSS* 1702-1704, p. 228. (Also see *ibid.* 1690-1691, p. 26.) For Houghton's figures, see *Husbandry and Trade Improv'd* (ed. 1728), iv. 399.

¹ *State Papers Domestic*, 1640, p. 480.

² Rushworth, *Historical Collections* (1721), iii. 1259.

³ *State Papers Venetian*, 1643-1647, pp. 150, 152.

⁴ *Hist. MSS. Comm. Stuart*, i. 521.

⁵ *Report on the Coal Trade*, iii. 9, 32, in *Parliamentary Papers* (1871), xviii. For other statistics, see *Records of the Hostmen* (ed. Dendy), 260; *Nel, The Rise of the British Coal Industry*, ii. Appendix D; Ashton and Sykes, *The Coal Industry of the Eighteenth Century*, Appendix E.

Coal-pits were worked in many other parts of England. Celia Fiennes in her travels through the realm in the reign of William and Mary encountered them in Derbyshire, Flintshire, Gloucestershire, Shropshire, Staffordshire, Warwickshire, Wiltshire, Yorkshire¹. The total production of the kingdom can only be surmized. The coal commissioners of 1871 made the following estimates²:

1660	. 2,148,000 tons	| 1750	. 4,773,828 tons
1700	. 2,612,000 „	| 1770	. 6,205,400 „

In addition to the home market there was an export *Export trade in coal.* trade in coal, which in the early part of the seventeenth century accounted for over 10 per cent. of the total output³. Already in 1575 attention was drawn to the 'great number of ships' repairing to Newcastle from abroad⁴. "Hither, even to the mine's mouth", wrote Robert Kayll, the author of *The Trades Increase* (1615), "come all our neighbour country nations with their ships continually, employing their own shipping and mariners. I doubt me whether, if they had such a treasure, they would not employ their own shipping. The French sail hither in whole fleets, some forty or fifty sail together. . . . So they of Bremen, Emden, Holland and Zeeland do serve all Flanders and the Archduke's countries"⁵. English coal was highly valued abroad, both in the Low Countries "where they have no like coals to serve the smiths"⁶, and in France where it fetched at least three or four times its price in England⁷. The French, it was

¹ *Through England on a Side Saddle*, 4, 75, 77, 138, 151, 175, 192, 197, 199, 205, 285. The list is not, of course, complete, e.g. it omits Cumberland. For a detailed survey of the principal coal-producing regions, see Nef, *The Rise of the British Coal Industry*, i. part 1, chapter i.

² *Report on the Coal Trade*, iii. 32, in *Parliamentary Papers* (1871), xviii.

³ *State Papers Domestic*, 1627-1628, p. 4; Wellford, *History of Newcastle*, iii. 186.

⁴ *Records of the Hostmen*, p. xxix. In the later seventeenth century France obtained coal from Swansea: *State Papers Domestic*, 1678, p. 18.

⁵ Pages 10-11. For the author of this pamphlet, see *infra*, p. 279.

⁶ *Records of the Hostmen*, p. xxix (1575). During the Civil War coal was exported to Holland in exchange for arms: *Hist. MSS. Comm. Portland*, i. 167.

⁷ Kayll, *The Trades Increase* (1615), 11-12. Coal was exported to France as early as 1325: Brand, *The History and Antiquities of Newcastle-upon-Tyne* (1789), ii. 235. For Germany, see Ehrenberg, *Hamburg und England im Zeitalter der Königin Elisabeth*, 295.

remarked in the reign of Edward VI., could no more live without Newcastle coal 'than the fish without water'¹: under James I. they are said to have paid as much as twelve or thirteen pounds for the equivalent of three Newcastle chaldrons, and under Charles I. twenty to twenty-six pounds². The export of coal was viewed with jealous eyes, and in the Middle Ages it was sometimes even prohibited³. The opposition came from various quarters: some held the foreign trade responsible for the advance of prices in the home market⁴, others believed that the northern coal-fields would soon be exhausted⁵. But a formidable obstacle to the expansion of foreign trade in the seventeenth century lay in the burden imposed on coal exported abroad in the shape of heavy duties⁶. Roger Coke, while not concealing a preference for the export of manufactures instead of raw materials, urged that it was a mistaken policy for England to concentrate her energies upon the home market and discourage

¹ Strype, *Ecclesiastical Memorials* (ed. 1822), i. part ii. 493.

² According to the statement of merchants in the French trade: *Hist. MSS. Comm. Leeds*, 291 (1630). But see *infra*, Appendix, p. 484, No. 3.

³ E.g. in 1362: Galloway, *Annals of Coal Mining*, i. 46.

⁴ *Acts of the Privy Council*, 1595-1596, p. 32 (complaint of the lord mayor of London); *Hist. MSS. Comm. Salisbury*, xiv. 330.

⁵ In 1610 it was predicted that "the coal-mines at Newcastle would not hold out the term of their lease of 21 years": Galloway, *Annals of Coal Mining*, i. 128. But the authorities of Newcastle asserted that "the mines will continue many hundred years": *Tudor Economic Documents* (ed. Tawney and Power), i. 276 (1591). Coke pointed out in 1675 that if the mines were drained we need not fear "ever to want coals to supply ourselves or foreigners": *Treatise* (1675), iv. 108.

⁶ In the case of exported coal the old custom of 10d. per Newcastle chaldron for aliens and 8d. for natives (*State Papers Domestic*, 1644-1645, pp. 98-99, 122) was supplemented by an imposition of 5s. at the end of the sixteenth century (*Hist. MSS. Comm. Leeds*, 130), and in 1620 by another imposition of 3s. 4d. for aliens and 1s. 8d. for natives, while Charles I. in 1634 added 4s. This brought the total to 13s. 2d. for aliens and 11s. 4d. for natives: *State Papers Domestic*, 1619-1623, p. 174; *ibid.* 1644-1645, pp. 98-99, 122; Rymer, *Foedera*, xix. 547. In addition the Newcastle corporation levied 16d. per chaldron on exported coal: *infra*, p. 154, note. The farm for coal was described in 1635 as "the bravest farm the King has": *State Papers Domestic*, 1634-1635, p. 595. The Act of 1660 fixed the duty at 8s. the chaldron on coal exported by English subjects in English ships, while foreign ships paid double: *Statutes*, v. 199. (This was the amount paid for the 'Newcastle measure' (*infra*, p. 148, note 5), and alien merchants exporting in English bottoms paid only 14s. Cf. *Hist. MSS. Comm.* ix. part ii. 14.) In 1694 the duty was reduced to 3s. for native vessels: *Statutes*, vi. 604. In the eighteenth century the amount fluctuated.

foreign markets. "The home vent of the Newcastle trade", he wrote, "employs few of the natives but miners and mariners, and those but half the year", and it "caused vast destruction of the woodland grounds . . . which by reason of the plenty and cheapness of Newcastle coals can find no vent"¹. He advocated a reduction of duties in order that Newcastle coal might be sold more cheaply abroad, and his argument anticipated the basic principles of free trade: "It is true foreigners in France, Flanders, Holland and other places by this permission might work iron manufactures cheaper", but if "the vending our coals in foreign trade and making returns, besides the employment of our shipping and mariners, be more beneficial to this nation than cheaper working iron manufactures be prejudicial to it, this exportation is to be preferred"². Coke's proposal was adopted in 1709 when the duty on coal exported in British bottoms was abolished on the ground that it "is a great hindrance to the British navigation and lessens the exportation of coals from Great Britain to parts beyond the seas"³: but the duty was reimposed in the following year⁴.

In the eyes of contemporaries the great merit of the coal trade was the stimulus which it gave to shipping in the transport of coal along the coast or to the Continent. In the reign of James I. the 'Newcastle voyage' was acclaimed as "if not the only, yet the especial nursery and school of seamen. For, as it is the chiefest in employment of seamen, so it is the gentlest and most open to landmen; they never grudging in their smallest vessels to entertain some two freshmen or learners"⁵. After the Restoration Coke wrote: "We glory much that the Newcastle trade in our home vent of coals, above all other trades, employs our shipping and mariners"⁶; and this aspect of the coal trade as a 'nursery for seamen' received frequent recognition⁷. In time of war

¹ *Treatise* (1675), iv. 74-75.

² *Statutes*, ix. 238.

³ Kayll, *The Trades Increase* (1615), 25.

⁴ *Treatise* (1675), iv. 108. Matthew, *A Mediterranean Passage by Water*, 8, spoke of it in 1670 as 'the great support' of the navy.

⁵ *Statutes*, vi. 20 (1685); ix. 498 (1710). *Statutes at Large*, v. 548 (1730). *House of Commons Journals*, xxi. 465 (1730). Houghton, *Husbandry and Trade Improv'd* (ed. 1728), iv. 400.

⁶ *Ibid.* 108.

⁷ *Ibid.* 367.

the coal ships contributed to the strength of the navy, and made "very good men-of-war, as the nation found in all the late wars with the Dutch"¹. Yet it was proof of the importance of the coal trade that, even in time of war, sailors employed in 'colliers'² were given protection from impressment³, though their immunity was not always respected in practice⁴. The volume of shipping engaged in the coal trade accounted for a large proportion of the mercantile marine^{5a}. In 1615 it was estimated that two hundred vessels served London, and an equal number the coast towns⁵; while in 1626 the Bishop of Durham alluded to "the multitude of ships which are maintained by these coals"⁶. A century later the number of ships had grown to over one thousand, of which four hundred traded to London; and they had increased in size, for few ships of less than two hundred tons burden and a crew of nine or ten men now made the voyage to London⁷. Each ship performed several voyages in the year, the number varying between seven and ten⁸.

The size of the undertaking varied greatly, not only at different periods, but in different parts of the country. There is evidence, however, to show that coal-mining must generally have involved the disbursement of large sums; and even in the seventeenth century the amount of capital required was often considerable. In the reign of James I. we hear of a colliery at Bedworth which was said to employ a numerous body of workpeople⁹, but sometimes the number

¹ Coke, *Treatise* (1675), iv. 111.

² The term 'collier' was applied to: (1) charcoal burners (cf. Roberts, *Social History of the Southern Counties*, 350); (2) mineral coal workers; and (3) coal vessels.

³ *Tudor and Stuart Proclamations* (ed. Steele), i. No. 3416 (1665); *State Papers Domestic*, 1664-1665, p. 359.

⁴ *Hist. MSS. Comm. Egmont*, ii. 28.

^{5a} Cf. *infra*, Appendix, p. 484, No. 4.

⁵ Kayll, *The Trades Increase* (1615), 10.

⁶ *House of Lords Journals*, iii. 547. Petty estimated (c. 1671) that "the shipping trading to Newcastle" was "now about eighty thousand tons": *Economic Writings*, i. 304.

⁷ *House of Commons Journals*, xxi. 372, 516-517 (1730). The ships averaged each 220 London chaldrons a voyage: *ibid.* xxi. 517.

⁸ *Ibid.* xxi. 372, 516; xxiii. 495; xxx. 542. *Infra*, Appendix, p. 484, No. 5.

⁹ *State Papers Domestic*, 1619-1623, p. 459.

was as low as ten or twenty¹. Coal-mining was of necessity a speculative industry, since it was impossible to forecast even approximately the risks and expenses involved; and as a field for the investment of capital it attracted those who were prepared to run a great hazard in the hope of substantial returns. Gray, writing in 1649, drew a sombre picture of the industry in which the uncertainties of mining prospects were perhaps unduly stressed: "Many thousand people are employed in this trade of coals; many live by working of them in the pits; many live by conveying them in waggons and waines to the River Tyne; many men are employed in conveying the coals in keels from the staiths aboard the ships; one coal merchant employeth five hundred or a thousand in his works of coals, yet for all his labour, care and cost, can scarce live of his trade; nay many of them hath consumed and spent great estates and died beggars. I can remember one of many that raised his estate by coal trade: many I remember that hath wasted great estates. . . . Some South gentlemen hath upon great hope of benefit come into this country to hazard their moneys in coal-pits. Master Beaumont, a gentleman of great ingenuity and rare parts, adventured into our mines with his thirty thousand pounds, who brought with him many rare engines not known then in these parts—as the art to bore with iron rods to try the deepness and thickness of the coal; rare engines to draw water out of the pits; waggons with one horse to carry down coals from the pits to the staiths, to the river, etc. Within few years he consumed all his money and rode home upon his light horse"². Master Beaumont was not the only capitalist who sank a fortune in the mining industry and rode home with a light purse. Lack of technical knowledge was the primary obstacle in the seventeenth century to the progress

¹ The pits at Clutton in Somersetshire employed in 1610 "two or three men and four or five boys, and also three men to wind up the coals". The charges for wages and materials amounted to £3, and the receipts, "reckoning 100 horse loads a day at 3d.," came to £7 : 10s. the week. The net gain was thus £4 : 10s. "of which one-fourth for the tenant, and the rest remaineth for the lord": *Hist. MSS. Comm. Cowper*, i. 71. The Greenbank colliery, south of Whitehaven, gave employment in 1675 to 20 men: *Victoria County History, Cumberland*, ii. 359-360. See *infra*, Appendix, p. 485, No. 1.

² Gray, *Chorographia* (1649), 24-25.

of capitalism ; and wealth laboriously accumulated was dissipated in fruitless enterprises in which experience was painfully and dearly bought. Without these pioneer efforts the achievements of a later age would have been impossible ; and the changes which are designated as the ' Industrial Revolution ' were the outcome of a long series of experiments in which progress appeared infinitely slow because the first steps are always the most difficult ¹.

*Chequered
fortunes of
a seven-
teenth-
century
capitalist.*

The career of Sir John Winter affords another example of the chequered fortunes of a seventeenth-century capitalist. The writer of a letter in 1672 described how " the famous Coal Delfe near this city [Coventry], where so many thousand pounds have been buried and so many undertakers ruined, is now by Sir John Winter's mapagement brought into a very hopeful condition, they getting coals in plenty, and 'tis hoped that all difficulties in the work are conquered, so that as it has been a work of vast expense and trouble, so it is now likely to prove no less profitable to the undertakers and advantageous to the city, who have not been backward to encourage it, having lent round sums freely ". An optimistic strain pervaded a subsequent letter which reported that " the coal-pits continue very hopeful, but the great charge proving many times too nimble for a present supply of money, which the workmen will not want, our city has lent Sir John Winter forty pounds more gratis, and will supply more if there be occasion ". But a third letter disclosed the failure of the enterprise : " Notwithstanding the fair hopes, and in a manner certainty of the prosperity of our coal-works, yet, when we least feared it, they were thrown up by Sir John Winter, the chief manager, after spending, as is said, above eight thousand pounds. . . . It is certain that, had he not wanted a present supply of money, he had not deserted the work : for though their takings this summer have been pretty brisk, yet as the money came in, it went to pay off the many debts contracted which caused a want of a full and ready pay, without which those damned fiends, the colliers, will

¹ Cartwright's combing machine was tried at Bradford in 1794, but half a century elapsed, and several hundred patents were taken out, before the combing machine attained practical value. A list is given in Burnley, *The History of Wool and Wool-combing*, Appendix.

not budge. Sir John pretends much severity from our city, whose too soon and eagerly expecting satisfaction for their debts, he thinks, cancels the obligation of their former kindness. He and his lady are gone to London. The works and materials are seized on, and we know not whether he will return or not " ¹. In the case of the Coventry pits a portion of the capital was supplied on loan by the civic authorities; and their action was significant of the way in which an attempt was made to overcome the deficiencies of a rudimentary banking system by mobilizing municipal credit. Nottingham provides another instance of the investment of capital in industrial enterprises by municipal bodies. In 1630 the town council undertook to " adventure such sums as are set on their heads " in a scheme to sink a pit " in the town's woods and wastes, in hope (by the favours of God) to find coals there ", and further " from time to time to assist these undertakers as there shall be cause " ². In other cases advances were made by private bankers ³. The shortage of capital was ultimately remedied by the creation of numerous partnerships as well as the more formal joint-stock companies, of which three were in existence in the coal-mining industry near the end of the seventeenth century ⁴.

The capital outlay involved in sinking pits and providing appliances was not beyond the resources of the seventeenth century: the real strain was felt in meeting the cost incurred in grappling with the gravest handicap of the coal industry — the drainage of the mines ⁵. A seventeenth-century writer (1667) spoke of " many brave collieries being worth little or nothing, either by reason there is no shell-stone for a roof to support the ground, or by reason of the great quantities of water which are usually in the caverns of the earth, which are very chargeable in the draining of them, so that many men by such undertakings are often undone "; and while there existed collieries which " do produce in many places

*Drainage
of the
mines.*

¹ *State Papers Domestic*, 1671-1672, pp. 159, 181; 1672-1673, p. 112.

² *Records of Nottingham* (ed. Baker), v. 144. For other examples, see *infra*, vol. iii. 247.

³ *Hist. MSS. Comm. Middleton*, 183.

⁴ See *infra*, Appendix, p. 485, No. 2.

⁵ See the examples in *Victoria County History, Warwickshire*, ii. 222-223.

great profit to the undertakers", one and all were "subject to the casualties of water and of fire"¹. Another writer (1708) asserted that "were it not for water a colliery in these parts [the northern coal-fields] might be termed a golden mine to purpose"². One colliery-owner, according to the account related by Roger North, "cut into a hill in order to drain the water, and conquered all difficulties of stone and the like till he came to clay, and that was too hard for him; for no means of timber or walls would resist, but all was crowded together; and this was by the weight of the hill bearing upon a clay that yielded. In this work he lost twenty thousand pounds"³. In the seventeenth century the ingenuity of inventors was taxed to the utmost in the effort to provide a satisfactory method of raising water from the mines. As early as 1565 the brother of the Elector Palatine claimed that a new method of drawing water from the deepest mines had been discovered, and offered it to the Queen for trial in England⁴; and it has been conjectured that 'Master Beaumont' was indebted for his knowledge of mining appliances to German engineering⁵. In the following century many patents were granted⁶ and much expenditure incurred, but in spite of all efforts a number of collieries remained 'unwrought and drowned'⁷; and the net result was summed up by a writer who declared that the projectors found that "instead of draining the water, their pockets are drained"⁸. He added that "in most collieries in the North they make use of chain pumps, and do force the same

¹ Primatt, *The City and Country: Purchaser and Builder* (1667), 4, 28. See *infra*, Appendix, p. 486, No. 1.

² J. C., *The Compleat Collier* (1708), ed. 1845, p. 24.

³ This was Sir W. Blacket, M.P. for Newcastle (*temp.* Charles II.): *The Lives of the Norths* (ed. Jessopp), i. 175. North relates how another colliery-owner, while entertaining the Lord Keeper Guilford, received a letter "wherein was an account of a bag of water which was broke in his greatest colliery. Upon which, folding up the letter, said he: 'My lord, here I have advice sent me of a loss in a colliery, which I cannot estimate at less than £7000; and now you shall see if I alter my countenance or behaviour'": *ibid.* i. 177.

⁴ *Hist. MSS. Comm. Salisbury*, i. 320.

⁵ Galloway, *Annals of Coal Mining*, i. 152.

⁶ Rymer, *Foedera*, xvii. 102 (1618); xix. 236 (1631). *State Papers Domestic*, 1625-1649, p. 381 (1630); 1629-1631, p. 483 (1631); 1678, p. 413.

⁷ J. C., *The Compleat Collier* (1708), ed. 1845, p. 29.

⁸ Primatt, *The City and Country: Purchaser and Builder* (1667), 29.

either by horse wheels, tread wheels, or by water wheels ; and this they find the surest way for the drawing their water, although the charge of such wheels is very great " ¹. Eventually the solution was found in the invention of the steam engine, designed originally for the purpose of draining water from the mines—' a giant with one idea ', as Coleridge called it—though in its ultimate form it became the pivot of the modern system of industry and transport. The project of raising water by fire was conceived at least as early as 1630 ² : it is mentioned by the Marquess of Worcester in his *A Century of Inventions* (1663) ³ : and it finally assumed shape in the engines of Savery (1698) and Newcomen (1712) ⁴.

Arthur Young describes the miners whom he encountered on his northern tour as " in general, I might almost say ^{The miners.} universally, a most tumultuous, sturdy set of people, greatly impatient of control, very insolent, and much void of common industry. Those employed in the lead mines of Craven and in many collieries can scarcely, by any means, be kept to the performance of a regular business ; upon the least disgust they quit their service and try another. No bribes can tempt them to any industry after the first performance of their stated work, which leaves them half the day for idleness or rioting at the ale-house " ⁵. This unfavourable estimate may have been influenced unconsciously by a desire to stress the improvement effected in their character by the combination of mining with farming pursuits, though the quality of rugged independence was doubtless

¹ Primatt, *The City and Country: Purchaser and Builder* (1667), 26. Similarly : North, *The Lives of the Norths* (ed. Jessopp), i. 178. An inventor's proposal (c. 1610) for an engine to draw fifteen tons of water an hour at 100 fathoms depth is described in *Hist. MSS. Comm. Middleton*, 173. The same problem existed in the tin mines, where the water engines did " five times more good than the mills they use to turn with horses, but then they are much more chargeable " : Celia Fiennes, *Through England on a Side Saddle*, 219 (*temp. William and Mary*).

² By David Ramsey : *State Papers Domestic*, 1629-1631, pp. 382, 483.

³ Page 46 : " An admirable and most forcible way to drive up water by fire."

⁴ *The Dictionary of National Biography*, s.v. Savery and Newcomen ; Galloway, *Annals of Coal Mining*, i. 196 seq., 236 seq. ; Fleming and Brocklehurst, *A History of Engineering*, 110 seq.

⁵ *Tour through the North* (ed. 1771), ii. 261-262.

often conspicuous in earlier as in later times. In Scotland the miners were reduced to virtual serfdom by the Scottish legislature ^{1a} in 1606, until they were liberated by an Act of Parliament. "Whereas by the statute law of Scotland, as explained by the judges of the courts of law there, many colliers and coal-bearers and salters are in a state of slavery or bondage, bound to the collieries and salt-works, where they work for life, transferable with the collieries and salt-works when their original masters have no further use for them", it was now (1775) provided that no one engaged as a collier, coal-bearer or salter should be bound to the owner or the work in any way different from other servants; and those already bound were to obtain freedom after the expiry of a certain period ¹. In England serfdom disappeared before coal-mining grew to importance; and though it was not revived, coercion was not unknown. At the end of the fifteenth century the surveyor appointed over the Durham coal-miners had powers of imprisonment, and as late as 1565 Elizabeth authorized the impressment of workmen to dig for minerals ². In the place of forced labour in the mines the Yearly Bond was instituted by which the miner bound himself to give a year's service. An early example is dated 1676 when a miner entered into a bond in forty pounds 'well and truly' to serve for a year in the coal-mines at Hulton or Denton, according to the customs and orders there used ³. More elaborate was an eighteenth-century bond (1763) which required 'the parties hired', under a penalty of eighteen pounds, to "continue at work without striking, combining, or absenting themselves; [to] deliver one corf ⁴ of coal gratis every pay or fourteen days; [to] be fined one shilling for every corf sent to bank" insufficiently filled; and to replace any corf condemned on account of the presence of stones among the coals ⁵. The Yearly Bond proved a fertile source of contention; and in the course of a strike provoked by a dispute over a binding

^{1a} See *infra*, Appendix, p. 486, No. 2.

¹ *Statutes at Large*, viii. 434. Emancipation only became complete after the Act of 1799: *ibid.* xiv. 119.

² Galloway, *Annals of Coal Mining*, i. 49. 75.

³ *Hist. MSS. Comm. Beaufort*, 178. See *infra*, Appendix, p. 486, No. 3.

⁴ Basket.

⁵ Galloway, *Annals of Coal Mining*, i. 269.

agreement in 1765—a year noted for labour unrest—a colliery was set on fire, and five hundred vessels were laid up at Newcastle for six weeks while waiting to load with coal¹.

The evidence as to the hours of labour and earnings of underground workers is fragmentary. In the second half of the eighteenth century the miners at a Yorkshire colliery worked eight hours a day²; in the Cumberland mines they were employed nine or ten hours³; and in the Newcastle district six or seven hours⁴. Work was carried on at night⁵; and Arthur Young alludes to a miner whose "hour of going to the mine is twelve o'clock at night, the work and time of meals" being "over at noon the next day"⁶. Boys, in the latter half of the eighteenth century, were employed in the mines from two A.M. to four P.M.⁷. Wages were paid at first on a time-basis, though piece-work was probably not unknown at an early period. In 1610 the best paid workmen at a colliery in Somerset received four shillings a week, and boys eighteen pence, nightwork being paid at higher rates⁸. A century later the justices in the West Riding of Yorkshire ordered that "no collier or workman that is skilful in getting coals shall take wages by the day without meat and drink above twelve pence"⁹; and this was probably the usual rate during the first part of the eighteenth century. Some early wage-books of Sir John Lowther's collieries in Cumberland have been preserved and, supplemented by later notices, they afford a basis for comparison at different

*Earnings
of under-
ground
workers.*

¹ *Hist. MSS. Comm. Shrewsbury*, 94; Macpherson, *Annals of Commerce*, iii. 420; *Home Office Papers*, 1760-1765, p. 599; *The Annual Register*, 1765, pp. 130-131; Hammond, *The Skilled Labourer*, 12 seq. For strikes connected with the bond in the nineteenth century, see Welbourne, *The Miners' Unions of Northumberland and Durham*, chapter ii.

² *Victoria County History, Yorkshire*, ii. 357. See *infra*, Appendix, p. 486, No. 4.

³ *Ibid.* i. 193.

⁴ Jars, *Voyages Metallurgiques* (1774), i. 241.

⁵ *Hist. MSS. Comm. Cowper*, i. 71.

⁶ *Tour through the North* (ed. 1771), ii. 269.

⁷ Jars, *Voyages Metallurgiques* (1774), i. 193. For notices of women working in the mines, see Galloway, *Annals of Coal Mining*, i. 91, 232-234, 305, 354; Nef, *The Rise of the British Coal Industry*, ii. 167-168; Ashton and Sykes, *The Coal Industry of the Eighteenth Century*, 170-172. On the collective hiring of labour: Nef, *op. cit.* ii. 153-154; Ashton and Sykes, *op. cit.* 100 seq. On accidents in the mines: Nef, *op. cit.* ii. 168-174.

⁸ *Hist. MSS. Comm. Cowper*, i. 71. See *infra*, Appendix, p. 486, No. 5.

⁹ Rogers, *A History of Agriculture and Prices*, vii. part ii. 611 (1703).

periods. In 1675 the hagggers (coal-hewers) were paid 8½d. a day; the bearers (also called hurriers, putters, trailers, barrowmen) who hauled the coal underground to the door of the shaft, 7½d.; and two winders and one bankman, 3s. 2d. between them¹. In 1709 wages had risen—coal-hewers received tenpence a day; bearers eightpence; bankmen eightpence; winders eightpence; corvers (basket-makers) a shilling². About half a century later (1765) a marked increase is recorded, since the coal-hewers now earned eighteen to twenty pence and the minimum wage was a shilling³. Elsewhere the evidence relates to piece-earnings, for example, in the Newcastle coal-field (1765) the miners were paid five farthings for each basket weighing six hundredweight, and their earnings averaged two shillings to half-a-crown a day; the boys who filled the baskets received about fourteen pence⁴. An advertisement in *The Leeds Mercury* (1787) not only furnishes information as to wages, but anticipates the modern practice of appealing to public opinion in a wages dispute. The advertisement is headed 'Coal Mining—A Caution', and proceeds: "The colliers at Middleton Colliery . . . having without any reasonable cause refused to work the said colliery unless an advance be made to their wages, it is thought necessary to inform the public that part of such colliers have constantly earned half-a-crown or three shillings per day by working eight hours in each day only, and that none of them, even men of sixty years and upwards, earn less than two shillings per day; yet, notwithstanding such high wages, the colliers have combined, left, and laid up the above colliery"⁵. In estimating the annual earnings of colliers, allowance must be made for unemployment which was considerable^{6a}, and for the fact that they were sometimes given a house to live in rent-free as well as their coal⁶,

¹ *Victoria County History, Cumberland*, ii. 359-360. See *infra*, Appendix, p. 487, No. 1.

² Fletcher, "The Archaeology of the West Cumberland Coal Trade" in *Transactions of the Cumberland and Westmorland Antiquarian and Archaeological Society*, iii. 276.

³ Jars, *Voyages Metallurgiques* (1774), i. 241 (piece-earnings).

⁴ *Ibid.* i. 193. For their earnings in 1708, *infra*, Appendix, p. 487, No. 2.

⁵ *Victoria County History, Yorkshire*, ii. 357. Arthur Young put colliers' wages at Newcastle at 15s. a week, but at the Rotherham collieries, the men earned 7s. to 9s.: *Tour through the North* (ed. 1771), i. 115; iv. 321.

^{6a} *Infra*, vol. iii. Appendix, p. 525, No. 1.

⁶ *State Papers Domestic*, 1619-1623, p. 459.

and occasionally they employed their leisure in farming a few acres of land ¹.

An important group of wage-earners in the coal industry, the keelmen, were engaged in loading the ships with coal ², which they carried in keels or lighters from the staiths. In 1637 keelmen, together with watermen and other labourers, numbered above eighteen hundred, 'the most of them being Scottish men and Borderers' ³; and many returned to Scotland in the winter to their families ⁴. Their relations with their employers were often strained; and in 1671 a riot broke out among the keelmen of Newcastle who complained of "ill-wages" ⁵. Another riot occurred in 1751 when there was a strike lasting seven weeks ⁶. The special interest of their history lies in the early example which it affords of a provident fund established by the voluntary contributions of workmen at the end of the seventeenth century to meet the contingencies of unemployment, old age and widowhood. In 1699 they "unanimously agreed among themselves to sequester and set apart some small portion of their dues or wages to be a public fund or bank for the relief of themselves, their widows and children, and also aged skippers", their employers being authorized to make a deduction from their earnings for the purpose ⁷. In connexion with this insurance fund a keelmen's hospital was built, the town providing a piece of ground; but the experiment was short-lived, and in 1712 the fund was dissolved. The men alleged that their employers 'wasted, embezzled and misapplied' the money; and the employers declared that the money "was not applied to the intents and purposes it was first designed, but of late [had] been spent in encouraging mutinies and dis-

¹ Young, *Tour through the North* (ed. 1771), ii. 262 seq.

² A keel contained 8 Newcastle chaldrons and was manned by 4 men: *State Papers Domestic*, 1655-1656, p. 280; *Hist. MSS. Comm. Portland*, vi. 104-105.

³ *Records of the Hostmen*, 78. Under the Commonwealth there were computed to be 320 keels: Gardiner, *England's Grievance Discovered* (1655), ed. 1796, p. 105. In 1725 the number was represented at 800: *Hist. MSS. Comm. Portland*, vi. 105. See *infra*, Appendix, p. 487, No. 3.

⁴ *Records of the Hostmen*, 176. See *infra*, Appendix, p. 488, No. 1.

⁵ *Hist. MSS. Comm. Le Fleming*, 79.

⁶ *Records of the Hostmen*, 203.

⁷ *Ibid.* 154.

orders among the keelmen ". In 1728 an attempt was made to revive the scheme, but it only survived a few months, after which the keelmen supported their widows and poor by collections at their 'societies or box meetings' ¹. In 1788 the fund was re-established by Act of Parliament and it continued in existence for nearly a century ². The corresponding class to the keelmen at Newcastle were the coal-heavers in London, who unloaded the coal from the ships into the lighters, and in the middle of the eighteenth century were said to earn fifteen shillings to a guinea a week ³.

*Cartels in
the coal-
mining
industry.*

The outstanding feature of the coal trade in the sixteenth, seventeenth and eighteenth centuries was the tendency to form combinations and 'rings' among the producers and distributors. The most distinctive was the organization known as the Hostmen of Newcastle. This body exhibited all the characteristics of a highly developed monopoly. In form it approximated closely to the modern cartel, and it anticipated the principal devices of a controlled market: restricted membership, limited output, scheduled prices, and a selling agency ^{3a}. It dominated the mining industry since Newcastle held the unique position to which an Ordinance of Parliament bore testimony in 1643: "The greatest part of this kingdom, and more especially the city of London and most maritime towns, are served and furnished with coals from the town of Newcastle-upon-Tyne and the adjacent parts of Northumberland and the bishopric of Durham" ⁴. And the fact that coal was now a primary necessity created a national interest in the efforts of the Newcastle Hostmen to establish a 'corner' or a 'ring' in this commodity. Between London as the chief consumer of coal, and Newcastle which controlled its production and distribution, a conflict was carried on for two centuries in which rival economic interests contended for mastery.

¹ *Records of the Hostmen* 158, 172 seq., 180, 191, 205.

² *Statutes at Large*, xi. 519. It came to an end in 1872: *Records of the Hostmen*, 209. An Act of 1757 (repealed 1770) established a similar fund among the Thames coal-heavers: Eden, *The State of the Poor* (1797), i. 605-607.

³ Campbell, *The London Tradesman* (1747), 319. For lightermen: *infra*, pp. 138-139.

^{3a} See *supra*, Introduction, pp. xxxiv-xxxvi; and *infra*, Appendix, p. 488, No. 2.

⁴ *Acts and Ordinances of the Interregnum*, i. 171.

The origin of the monopoly exercised by the Newcastle Hostmen is obscure, but it must doubtless be traced to the exclusive right of the freemen of Newcastle to buy and sell within the borough. This privilege was enjoyed by the gildsmen or the burgesses of all mediaeval boroughs, but with increasing specialization the tendency was for different crafts to claim an exclusive control over the production and distribution of their own particular commodities. When the coal trade developed, the right to handle it devolved, in the absence of any gild existing specifically for the purpose, upon the Hostmen whose duty it was to supervise merchant strangers¹. The two commodities which attracted traders to Newcastle were coal and grindstones; and the Hostmen would be the natural intermediary between the 'foreign'² dealers who came to buy, and the 'foreign' owners in the vicinity who came to sell. But the right of the Hostmen to exclude other freemen from the coal trade was contested by their fellow-burgesses, and in 1600 they secured a charter from Elizabeth, which incorporated them as a 'body corporate and politic' and confirmed their monopoly of the sale of coal and grindstones³. Their position had previously been strengthened by a Statute in 1529, which enacted that no person shall 'ship, load or unload' any goods to be sold 'into or from any ship' at any place on the River Tyne within tidal limits except Newcastle⁴. This meant that the North Country coalowners, who shipped cargoes from the Tyne, were forced to bring their coal to Newcastle, where they were permitted to sell only to freemen instead of direct to their customers—the shippers.

The Hostmen entered upon a new stage in their history when they began to acquire possession of coal-mines, and admitted into their ranks freemen of the town who already owned coal-mines—a concession which helped to disarm the local opposition to their monopoly. It was a natural step for the Hostmen to turn coalowners, and in line with the general economic trend of the period. In the sixteenth

¹ *Supra*, vol. i. 527 seq.

² For the term 'foreign': *supra*, vol. i. 265, note 2.

³ The charter is printed in *Records of the Hostmen*, 10 seq.

⁴ *Statutes*, iii. 302-303. See *infra*, Appendix, p. 488, No. 3.

⁵ *Records of the Hostmen*, 21.

*Control of
the coal
mines.*

and seventeenth centuries the trading capitalist was not content to serve as an intermediary between producer and consumer, but sought to reduce the former to a condition of economic dependency, or as in this case to supersede him altogether. The Hostmen were placed in an advantageous position for assuming control of the mines, since the facilities they enjoyed for the disposal of the coal enabled them to offer better terms¹. The most notable example of this tendency was the acquisition of the 'Grand Lease'. In the early years of Elizabeth's reign Sutton, the master of the ordnance at Berwick, obtained a lease of the most important collieries on the south side of the Tyne, in Whickham and Gateshead, which belonged to the Bishop of Durham. Circumstances favoured his enterprise, and within ten years (1570-1580) he returned to London with 'two horse-loads of money', reputed to be worth fifty thousand pounds². His success may have been magnified, but it showed incidentally that the mining industry, if it marred the fortune of some men, made that of others. The Bishop then granted the lease to the Queen (1582), who assigned it in the following year to two magistrates of Newcastle, and at the end of the century it came into the hands of 'the mayor and burgesses' of Newcastle³. The importance of the concession gained for it the distinctive title of the 'Grand Lease'; and, in conjunction with other acquisitions, it enabled the merchants of Newcastle to 'engross the greatest part of the coal-mines'⁴ in the whole of the Tyne area. In this way Newcastle controlled in a large measure both the production and sale of coal in the principal coal-fields of the kingdom; and it is significant that the unique position it had thus attained coincided with an advance in the price of coal, which evoked strenuous protests from the London authorities⁵.

The Hostmen now proceeded to exploit the special op-

¹ *Records of the Hostmen*, p. xxxii.

² Galloway, *Annals of Coal Mining*, i. 94. Gardiner's account is that Sutton obtained the lease from the Queen in 1582: *England's Grievance Discovered* (1655), ed. 1796, p. 13.

³ Galloway, *Annals of Coal Mining*, i. 94-97.

⁴ *Records of the Hostmen*, 23.

⁵ *Infra*, p. 142.

portunities of their situation. As owners of collieries and keels they could fix wages: as middlemen they could fix prices. In the former capacity the charge was brought against them that they "agreed at what rate poor colliers, carriage-men and keelmen shall work and carry coal, and have abridged their wages to their extreme impoverishment and excessive charge of the town" ¹. In the latter capacity they adopted the policy known as the 'Limitation of the Vend', that is, restriction of output. The justification alleged for this policy, which they continued to pursue at intervals for over two centuries, was that it secured that "every hostman might sell and vent his coals alike, and that the one of them might not be overborne in his sales by the riches of any other of them, and that the trade might be indifferent between them all" ². The beginnings of the system date from the opening of the seventeenth century (1603), when they entered into 'an order and agreement of partnership for the vent of coals' ³. Four groups were instituted. The first contained seven hostmen to whom were assigned 20 keels and 2350 tens of coal ⁴; the second comprised eight hostmen whose quota was 20½ keels and 2300 tens; the third was restricted to six hostmen who were allotted 22½ keels and 2230 tens; and the fourth had eight hostmen with 23 keels and 2200 tens. Individual shipments ranged from 100 tens (2100 tons) to 900 tens (18,900 tons). The total tonnage for the year was placed at 190,680 tons, and the number of keels at 86. A record of transactions was kept by book-keepers, and the quality of the coal was inspected by surveyors who were empowered "weekly or once in fourteen days at the least [to] visit every man's works of this partnership, and if they find any coals which are not equal in goodness to other men's coals in that place", to warn the owners not to sell the inferior coal from the staiths used by the partnership. The agreement also con-

¹ *Records of the Hostmen*, 20 (1603).

² *Ibid.* 23.

³ *Ibid.* 43-47. This carries back the system long before the date commonly assigned to it (1771), e.g. in Porter, *The Progress of the Nation* (ed. 1847), 283, and more recent works.

⁴ A 'ten of coal' is supposed to be the equivalent of a keel-load of 21 tons.

tained provisions as to the prices at which coal was to be sold: "To the end that this partnership shall not cause scarcity of coals, whereby buyers of coals might be induced to yield greater prices than hath been usual and as is fit, it is agreed that the surveyors shall foresee that there be sufficient store of coals, over and above those rates agreed upon, to lie upon the open, public and usual staiths; and that the prices of the coals to be sold by this partnership be as reasonable as may be, and in no wise above such rates as hereunder are mentioned, viz. the mean coals not above eight shillings the chaldron^{1a}, the second coals not above nine shillings the chaldron, and the best sort not above ten shillings the chaldron".

Other combinations.

Another partnership was formed in 1605, but was dissolved by order of the Privy Council. Its regulations were "conceived to be injurious and prejudicial to the King's majesty's subjects", so the Hostmen explained in their records, "albeit the same were devised and done without any intent or purpose either of hindering the trade of selling coals or enhancing the prices thereof, as is alleged and complained of"¹. A third combination is recorded in 1617 comprising eight groups of partners, each being assigned a quota which varied from 1320 tens to 2150 tens, the total amounting to 13,675 tens (287,175 tons)². The fourth combination (1622) appointed seven 'choice and principal' men to "load and lay aboard [by their servants] all coals belonging to any brother of this fellowship, and shall contract with masters of ships for the same at such prices as they can agree and shall think the coals to be worth"—an arrangement which prevented competition among the sellers and kept prices at an agreed level. Each of these seven men headed a group of partners, and the total quantity was 14,320 tens (300,720 tons)³. The fifth combination (1627) is of special interest because it introduced into the agreement the well-known device of a 'pool'—a common feature of the modern cartel⁴. One of the clauses stipulated that every hostman

^{1a} The chaldrons on this page are Newcastle chaldrons.

¹ *Records of the Hostmen*, 56.

² *Ibid.*, 63-67.

³ *Ibid.* 68-71.

⁴ For an example in the iron trade, see *infra*, p. 165.

should pay sixpence on each chaldron^{1a}, and if "it shall be found that any hostman hath delivered more coals than according to his proportion for his rate set down, then there shall be delivered forth of his money paid in by sixpence upon a chaldron, sixteen pence upon every chaldron to every one that shall have delivered fewer than according to his proportion of his rate set down"¹.

The logical outcome of the policy pursued by the Newcastle Hostmen was the complete suspension of mining operations during a part of the year; and the Dutch Wars under Charles II. furnished the pretext and the occasion. The coal trade was severely disorganized by the war, and the power conferred by Parliament in 1665 on the London authorities to establish maximum prices incensed the coal-owners, who responded by an agreement not to produce any more coal for the sea-borne trade during a fixed period². The Government hastily issued a proclamation restoring a free market, but the agreement was again revived the following year. On the second occasion the owners sought to mitigate the sufferings of their own workpeople by setting up an unemployment fund which, though intended to meet a temporary situation, has a special interest as among the earliest of its kind. "And forasmuch as this Company doth foresee that by reason of the laying in the works, as aforesaid, the poor workpeople are like to come to extreme want, they have likewise thought fit and it is hereby ordered that every brother and sister of this Company shall . . . weekly pay . . . one penny for each and every chaldron of coals . . . cleared at the custom-house . . . during the time aforesaid, which sums so received the stewards are to pay unto the respective coal-owners to be by them distributed to the poor workpeople of each respective colliery from whence the coals so cleared shall come toward the relief of their present necessities"³. The hostility aroused by agreements for manipulating the coal market found expression in an Act of Parliament (1710)

^{1a} The chaldrons on this page are Newcastle chaldrons.

¹ *Records of the Hostmen*, 72-74. Some months later the amounts were raised to 1s. and 2s. respectively: *ibid.* 74. The total quantity was 14,000 tons (294,000 tons). For the sixth combination (1637), see *infra*, pp. 136-137.

² *Infra*, p. 146.

³ *Records of the Hostmen*, 131 (1666).

*Suspension
of mining
operations.*

Survival of the Vend. prohibiting contracts in restraint of trade¹: but the economic instinct proved too strong for the restraining hand of the legislature. In view of the fact that combinations of coalowners were now illegal, pains were taken to avoid publicity², yet in other respects the policy of the 'Limitation of the Vend' continued, though intermittently. In 1800 the town clerk of Newcastle explained the working of the system before a committee of the House of Commons. Each colliery was assigned a proportion of the total vend for the year, and the owners who exceeded their quota paid a penalty to those who fell below it. The witness expressed the opinion that the public "in the final result materially benefited by the operations of the agreement", since it kept in existence collieries which would otherwise have been ruined by a fall in prices³. The survival of the vend into the nineteenth century preserved the continuity of a system which in one industry or another has maintained an unbroken history from the end of the Middle Ages to this day, and in the activities of the modern cartel has taken on a new lease of existence. Its economic justification must depend upon the extent to which, in the ultimate interests of producers and consumers alike, it serves to maintain an equilibrium between supply and demand.

Changed status of the Hostmen.

The Hostmen's monopoly of the sale of coal did not escape criticism. They were in perpetual conflict with the consumers of coal, who attributed the continuous advance in prices from the second half of the sixteenth century onwards to the malpractices of the middlemen, and were inclined to ignore the natural causes which were, in part at any rate, responsible for the rise⁴. Moreover the freemen of Newcastle, more than five hundred in number, were reluctant to surrender their interest in so lucrative a traffic to a body

¹ *Infra.* p. 149.

² The entries relating to the restriction of the vend of 1738 are not entered in the large minute book of the Company, but are separately recorded: *Records of the Hostmen*, 194, note.

³ *Parliamentary Papers* (1800), ix. 19 *seq.* A selling agreement in 1727 is mentioned by Dunn, *View of the Coal Trade*, 23. For the vends of 1767, 1771, 1778 and 1779, etc., see *Report on the Coal Trade*, iii. 11-12 and Appendix 3, in *Parliamentary Papers* (1871), xviii. Also *Parliamentary Papers* (1800), ix. *passim*.

⁴ *Infra.* pp. 151 *seq.*

which barely mustered fifty members, of whom apparently only a part was actively engaged in the coal trade¹. Their attack upon the Company was vented in a petition of 'the mayor and burgesses' (1603), complaining that the corporation "have denied to admit such free burgesses as have prayed the same", except under 'great and intolerable' fines²; and they secured a decree in their favour from the Council of the North³. The enlargement of the Company promoted a change in the economic status of its members. We have seen that at the end of the sixteenth century Hostmen had become transformed into coalowners⁴; but the admission of fellow-freemen, together with apprentices who had served seven years⁵, created a class of Hostmen who had no coal-mines of their own and acted as factors, or agents, for coalowners who were not members of the Company. These factors were known as fitters, a term originally applied to the servants of the Hostmen⁶, but now used to denote the Hostmen themselves in their capacity as middlemen. A report drawn up by the Company in 1774 stated that "the constant practice of carrying on the coal trade on the River Tyne is for the owner of the colliery to employ a person free of the Hostmen's Company and resident in Newcastle, who is usually called a coal-fitter, and which fitter pays to the coalowner a stipulated price for every chaldron of coals he receives from his coalowner. The fitter then sells the same again to the shipmaster"⁷. The net result was to transform the constitution of the Company: its nucleus ceased to be a group of producers, and became instead a group of distributors⁸.

¹ Elizabeth's charter (1600) enumerates 48 hostmen: Brand, *The History and Antiquities of Newcastle-upon-Tyne* (1789), ii. 271. In 1638 they were said to number 'about 50': *State Papers Domestic*, 1638-1639, p. 250. But only 29 names appear in the vend of 1603: *supra*, p. 131.

² *Records of the Hostmen*, 19-21. A long complaint was laid before the Council of the North in 1592: *Hist. MSS. Comm. Salisbury*, iv. 208-210.

³ *Records of the Hostmen*, 24.

⁴ *Supra*, p. 129.

⁵ *Records of the Hostmen*, 211.

⁶ The term appears in the *Records* in 1634 (p. 75), and is expressly used in 1651 as the equivalent of 'factor' (p. 92). See *infra*, Appendix, p. 489, No. 1.

⁷ *Records of the Hostmen*, 211. In the late nineteenth century the fitters became once more the salaried servants of the coalowners: *ibid.* p. 1.

⁸ The exclusive rights of the Company lapsed owing to legal uncertainty as to whether they could be enforced, since they proceeded from a royal charter. Cf. the Company's statement in 1834 (*ibid.* 226), and the legal opinions expressed in 1703 and 1774: *ibid.* 162, 210-215.

*The ship-
owners.*

The next link in the chain of producers and distributors, after the Hostmen, was the shipowner. He was more than a mere carrier since he bought the coal at one end and sold it at the other. The target of attack from the London buyers, he sheltered himself behind the coal-fitters upon whose shoulders he placed responsibility for all the abuses in the coal trade¹. The friction grew acute when, as sometimes happened, the fitters sought to handle the trade at both ends—at the port of lading and at the port of unlading. The shipowners complained of this intrusion into their province in 1766 when they alleged that the coal agents had become owners of ships to a very great extent: "and in order to engross and keep the trade in their own hands have made it a practice to refuse a loading of coals, except it be an inferior sort, to the petitioners, unless taken upon freight at a considerable under-value, and at other times obliging them to wait with their ships eight or ten weeks for a loading, and at the same time loading such ships as they are themselves most interested in immediately on their arrival". By this method of monopolizing, proceeds their petition, the fitters "are getting fortunes upon the wreck of the petitioners" and "will in a short time become masters of the whole coal trade"². And even when the Hostmen did not enter into competition with the shipowner, their monopoly and close corporation placed them in a position of superior bargaining power. The shipowner was not only debarred from buying his coal direct from the coalowners—unless the latter were members of the Hostmen's Company—but he found the market for coal at Newcastle in the hands of a 'ring' which made selling agreements to restrict output and control prices.

The merchant shippers set to work to form an organization of their own. They found their opportunity in the fiscal needs of Charles I. In 1637 the King had created a new corporation of Hostmen upon which he conferred the sole right of selling coal at Newcastle and lading ships, in return for the payment of one shilling on every chaldron of coal³.

¹ *State Papers Domestic*, 1619–1623, p. 363.

² *House of Commons Journals*, xxx. 542, 630, 706. See *infra*, Appendix, p. 489, No. 2.

³ The Newcastle chaldron: Gardiner, *England's Grievance Discovered* (1653), ed. 1796, p. 55; *Records of the Hostmen*, 77.

He also abolished the system of 'gift coal',^{1a} by which the Hostmen allowed the shippers a bonus of five chaldrons on every score; and in recompense the Hostmen were to pay the King an additional shilling per chaldron¹. The price of a chaldron of coal was fixed at 11s., so that the shippers now paid 275s. for 25 chaldrons, whereas formerly they paid 220s., and the Crown received 50s. duty (on 25 chaldrons) instead of 20s. (on 25 reckoned as 20). The shippers protested² that whereas "ships have ever heretofore had a free market to buy of any free Hostmen, of whom they might have the best coals and truest and justest measure", this 'ancient liberty' had been taken from them; and the Hostmen had nominated seven persons "to sit at a board of green cloth and there to appoint deliverance of coals to every shipper for the whole fraternity; by which means the petitioners were not only often laden with unsaleable coals, but were debarred of their accustomed overplus measure, which was their very livelihood". In return for a free market at Newcastle, a 'just measure' and the privileges of incorporation, they offered to pay the King the new impost of one shilling per chaldron³. This offer was accepted (1638), the King's contract with the Hostmen was cancelled, and the shippers proceeded to establish a 'corporation of London merchants'⁴. Armed with their new authority, they drew up a set of orders which provided that shippers should take their turn in unloading their coal. The sting lay in the injunction that, if towards the end of the year the woodmongers of London gave notice that they held a sufficient supply of coal, no shipper "shall after the tenth October in every year begin any voyage to fetch coals until the February following"⁵. This was clearly intended to enable the sellers to manipulate the market in their own interests; and it is not surprising that the Privy Council withheld its approval—"much disliking the scope of

*Their
organiza-
tion.*

^{1a} See *infra*, Appendix, p. 489, No. 3. The chaldrons on this page are Newcastle chaldrons (except in note 3 *infra*).

¹ *State Papers Domestic*, 1637, p. 159. See *infra*, Appendix, p. 490, No. 1.

² *State Papers Domestic*, 1629-1631, p. 444; 1637, p. 24; 1638-1639, p. 230.

³ They undertook to sell the coal in London at not more than (wholesale prices) 17s. per London chaldron March to August, and 19s. August to October: *ibid.* 1637-1638, pp. 295, 347. Cf. *infra*, Appendix, p. 490, No. 2.

⁴ *State Papers Domestic*, 1637-1638, p. 397; Gardiner, *England's Grievances Discovered* (1655), ed. 1796, p. 56; *House of Lords Journals*, iv. 131.

⁵ *State Papers Domestic*, 1639, pp. 169-170.

the orders", which "would not only keep up the price of coals in and about London, but make that commodity very scarce and hard to be gotten"¹. Yet its opposition was in some way overcome and the orders were ratified in 1640². The practice of making agreements 'to take turns' in discharging cargoes, in order to obtain better prices for the coal, continued in operation among shippers during the next century³. This exploitation of the London market by an organized shipping interest was the counterpart of the exploitation of the Newcastle market by the coal-fitters.

*The
factors.*

In the eighteenth century the shippers employed agents, known as crimps, husbands, or factors, to dispose of the coal when the ships arrived in the port of London⁴. These agents met in the 'Pool' or Coal Exchange, which corresponded to Bear Quay and Blackwell Hall⁵. They often acted in a two-fold capacity: as factors they sold whole shiploads on commission; as wholesale dealers they bought on their own account⁶. The factors used their opportunities to enrich themselves by devious practices; and an Act of Parliament in 1710 stated that they did "often fraudulently vend the coals, entrusted to them by the shipmasters, to their own agents, partners, servants or other persons, for their own use and benefit, and at rates below the market price, and when so sold do again greatly advance the rates thereof"⁷. These practices were now made illegal; but economic forces were working for the subjection of the shippers to their factors, as effectually as the clothiers were subordinated to their agents at Blackwell Hall.

*The
lightermen.*

The tendency of those engaged in one sphere of production or distribution to extend their control over kindred spheres receives fresh illustration from the history of the lightermen. Their function was to convey the coal from the ships to the wharves, though subsequently a number of them assumed the functions of agents and merchants. In the former capacity they acted as crimps or factors to the masters

¹ *State Papers Domestic*, 1639, p. 169. ² *Ibid.* 1639-1640, p. 543.

³ *House of Commons Journals*, xxi. 369.

⁴ *Ibid.* xxi. 517; xxiv. 412. See *infra*, Appendix, p. 490, No. 3.

⁵ *Supra*, p. 25, and *infra*, p. 421.

⁶ Campbell, *The London Tradesman* (1747), 318. ⁷ *Statutes*, ix. 498.

of more than one-third of the ships ¹; in the latter capacity they were buyers of coal on their own account. The strength of their position lay in their control of lighters, barges and other craft for carrying coal along the River Thames. Their status as an incorporated body ² conferred on them exclusive privileges, which they used to prevent other persons from employing their own boats on the river for carrying coal. They numbered in 1729 about eight hundred ³, but those among them who dealt in coal were few and wealthy. Two or three lightermen were said to dispose annually of 30,000 chaldrons of coal apiece, and eight or nine others averaged each 20,000 chaldrons. These figures bear out the statement that they had engrossed the trade to such an extent that half the coal imported into London—the total quantity averaged 400,000 chaldrons a year—was bought up by a dozen lightermen; and the remaining half was accounted for by two score lightermen ⁴. The fact that the large coal dealers were few in number enabled them to act in concert: they were accustomed to meet and set their own price on coal: and it was declared to be a crime for a master of a ship to ask a price ⁵. The lightermen generally bought the coal 'upon honour', and would "then pay the masters what they please for them". The shipmasters were compelled to deliver their coal before a price had been agreed upon, "by reason it is in the power of such lightermen to prefer one ship before another" ⁶. One circumstance indicates the degree of perfection which the organization of the coal market in the early eighteenth century had attained. The lightermen had a system of intelligence by which they knew whether supplies at Newcastle were abundant or scarce, and whether a coal fleet was at sea or held back by contrary winds; and this knowledge they used to "raise and fall the price of coals as best suits their interest" ⁷. An Act of Parliament (1730) sought to break down the monopoly of the lightermen by permitting coal-dealers to use their own boats on the river,

¹ *House of Commons Journals*, xxi. 517; *House of Lords MSS.* 1702-1704, pp. 228, 236-237.

² *House of Commons Journals*, xxi. 516.

³ *Ibid.* 369. ⁴ 1730: *ibid.* 517-518. (All the chaldrons are London chaldrons.)

⁵ *Ibid.* 370, 372.

⁶ *Ibid.* 516.

⁷ *Ibid.* 370, 517.

while at the same time buyers of coal were forbidden to act as factors for the shippers¹. The Company of Wherrymen, Watermen and Lightermen of the River Thames raised a protest that "their property of being free watermen and lightermen will be evaded and their servitude of seven years to the employment will be rendered useless"². The remonstrance was unavailing; but the lightermen were, in any case, too strongly entrenched in the coal trade for them to be easily dislodged.

Other
middle-
men.

Another link in the chain of middlemen was the coal-undertaker, through whose agency the coal-heavers working on the River Thames procured employment, and of whose extortions they made bitter complaint. When a coal-undertaker was a publican, he forced the men to 'spend sixpence a day in his house' and pay fourpence a quart for beer which was 'not worth a penny'. The grievances of the coal-heavers flared up in a riot in 1768, in which several lives were lost³. The wholesale traders were the woodmongers who dealt in coal as well as wood⁴. They were at liberty to use their own lighters⁵, in which case they were enabled to buy direct from the shipmasters, but they must have been mostly supplied by the lightermen^{6a}: in turn they doubtless furnished the chandlers and other retailers who sold coal in small quantities to the poorer householders⁶. The woodmongers were constituted a company, and they did not escape the criticism that they forced up prices⁷. Thus it would appear that every grade of middlemen in the coal trade, through whose hands the commodity passed, organized combinations and rings in order to operate the market in their own interests and secure for themselves a larger share of profits⁸. Even the carmen in

¹ *Statutes at Large*, v. 548-549.

² *House of Commons Journals*, xxi. 539.

³ *Ibid.* xxxii. 736, 833; *Parliamentary Papers* (1800), ix. 74; Macpherson, *Annals of Commerce*, iii. 480.

⁴ W. L., *The Woodmongers Remonstrance* (1649). (Also retailers.)

⁵ *House of Commons Journals*, xxi. 373. ^{6a} *Supra*, p. 139.

⁶ *State Papers Domestic*, 1638-1639, p. 91.

⁷ *Cf. infra*, p. 147. Their charter (1605) is printed in Dale, *The Fellowship of Woodmongers*, 102. For the charges against them, see *ibid.* 36 *seq.* Also see *Some Memorials of the Controversie with the Woodmongers or Traders in Fuel* (1680).

⁸ To guard against fraud in the measurement of coal, men known as 'sea coal-meters' were appointed to measure the coal as it was brought
[*contd.*]

London claimed an exclusive right of the 'loading and portage' of coal landed at the port, and this was held to be one of the reasons for the advance in prices¹.

The coal trade has been considered from the standpoint of the producers and distributors²: it must now be approached from the angle of the consumers.

Among the legacies bequeathed by the mediaeval guilds to the modern State was the principle of authoritarian intervention in the sphere of prices. There are instances even in the Middle Ages of statutory regulation of prices³, and the policy has been pursued intermittently down to the present day. It was the conviction of consumers that price movements were not the result of natural causes, but proceeded from the machinations of middlemen; and this opinion has been responsible for a series of experiments designed to secure stability of prices in the home market by direct control. The best example of a continuous policy of price control is furnished by the coal trade⁴. No economic question in the seventeenth and eighteenth centuries agitated the public mind more persistently than the price of coal, now in general demand on the part of householders and manufacturers; and it provides, therefore, invaluable material for an investigation of the subject of prices. Indeed, the repeated but fruitless attempts made by the authorities to check the advance in the price of coal constitute one of the most significant and illuminating episodes in the perennial conflict of producers and consumers. In

State control of prices.

from the ship. Originally four in number, they were increased to ten by Elizabeth (see *State Papers Domestic*, 1635, p. 76), and others were added later. Subsequently 'land coal-meters' were appointed to measure the coal on land: *Statutes at Large*, vi. 323 (1746 for Westminster); viii. 6 (1767 for the city of London).

¹ *State Papers Domestic*, 1638-1639, p. 91. The carmen also formed a company: Hazlitt, *The Livery Companies*, 108-109.

² For the organization of the coal trade at the end of the eighteenth century, with its 'first' and 'second' buyers, see *Parliamentary Papers* (1800), ix. 33.

³ *Supra*, vol. i. 335, note 4. Commodities of which the price was controlled by the State include wines (*Statutes*, v. 268), silks (*Acts of the Privy Council*, 1581-1582, pp. 7-8), tea (*infra*, p. 315), cloth (*supra*, vol. i. 482), etc.

⁴ For bread see *infra*, p. 424. See also *infra*, Appendix, p. 490, No. 4.

the very year of Elizabeth's accession ¹ complaint was made against forestallers and regraters ² of coal; and committees of the House of Commons were holding inquiries into the price of coal more than two centuries later.

*Conflict of
producers
and con-
sumers.*

The closing years of the sixteenth century witnessed the first beginnings of the conflict in an acute form. The London authorities registered a complaint before the Privy Council in 1595, in which they charged the Hostmen with advancing the price of coal from four to nine shillings the chaldron ³. They had engrossed the mines, so the indictment ran, and their policy was to "diet and feed the shipmasters and merchants with such scarcity as may best serve for their own advantage. . . . They have store enough at the mine, but they provide so that there is a small store or none at the waterside". It was, in short, a 'plain monopoly' of a staple commodity. The Hostmen replied that the price of coal had risen only two shillings per chaldron, owing to the increase in the cost of carriage and the wages of colliers ⁴. The defence drew from the London authorities the retort that it covered everything but the chief cause; yet the monopoly of the northern dealers remained intact, and when the price of coal once more engaged public attention a few years later (1601) the Privy Council was driven to suggest that the livery companies should "disburse a round stock of money to make provision now in summer and to utter [sell] the same again in the winter at the same rates they buy, whereby the prices may be kept under" ⁵—a proposal for which communal purchases of corn provided a precedent ⁶.

In the reign of James I. the London corporation returned

¹ *Hist. MSS. Comm. Rye*, 326. ² On these terms, see *infra*, p. 422.

³ This was the price charged to shippers at Newcastle per Newcastle chaldron: *Acts of the Privy Council*, 1595-1596, p. 32; *Records of the Hostmen*, 2 seq. In *Tudor Economic Documents* (ed. Tawney and Power), i. 267, the document is dated 1590, but in *The Remembrancia of the City of London*, 79, it is placed among the records of 1595.

⁴ *Records of the Hostmen*, 5 seq.

⁵ *Acts of the Privy Council*, 1601-1604, p. 68. The lord mayor had made another complaint in 1597: *ibid.* 1597, p. 312.

⁶ *Infra*, vol. iii. p. 441. In 1621 the London authorities stated that they had 'for many years past' provided a supply of coal to be sold to the poor in winter at easy rates: *The Remembrancia of the City of London*, 84, 87. Cf. *infra*, Appendix, p. 491, No. 1. The London companies provided coal in 1665: Herbert, *The History of the Twelve Great Livery Companies*, i. 130. Provincial towns also supplied coal to the poor: *Hist. MSS. Comm. Exeter*, 68.

to the attack, but on this occasion the Hostmen were prepared with a more plausible explanation in which they demonstrated the effect of demand upon the costs of production. They represented that the use of coal had grown to such an extent that the coal-works, which formerly "were sufficient for the furnishing of the kingdom with that commodity, [are] not now able to supply that want. . . . Whereupon they . . . did provide to sink new pits and set on more works, both further distant from the waterside and deeper, sinking to lower mines, for the furnishing of which works there was a greater number of workmen and labourers required by many. Whereupon ensued that both the labourers for sinking of pits and for working coals under the ground, and the drawers above ground, being very scant and working and drawing them at deeper pits or shafts, had their wages much increased, a fourth penny at the least : which—added to the charges in sinking deep pits, water-charge in mining new mines, the charge of timber, dailes and corving [basket-making], whereof there is great scant and yet of necessity must be used in great quantity both for propping, upholding the mines, timbering of shafts, and drawing coals, with many other necessary incidents for coal-works as ropes, iron and other things, with the present dearth of victuals, all which daily increase in price more and more and so likely to continue—hath made the coals dearer to the coalowners in the point of working only in some places five shillings, and other places six shillings, in a ten of coals^{1a}. Besides, divers of the greatest of the coalowners have been by extremity of water this year put from their works and lost the same wholly, having in some on work spent six or seven hundred pounds ; and divers others in former years by such means quite overthrown in their estate". The Hostmen also demanded to know whether it was possible "that sea-coals be such a commodity as can be continually afforded at one settled price (as it should seem the lord mayor and aldermen of London would have), all other commodities being uncertain of price according to the difference of times and occasions" ¹.

The effect of demand upon costs of production.

^{1a} *Supra*, p. 131, note 4. ¹ *Records of the Hostmen*, 58-61 (c. 1608-10).

Prices
under the
Early
Stuarts.

Under the Early Stuarts the price of coal continued to advance. In Newcastle it increased from 9s. (1595) to 11s. (1616) per Newcastle chaldron. In London the wholesale price per London chaldron rose from 12s. 6d. (1589) to 13s. 8d. (1606)¹, while in 1639 it was fixed by the Privy Council at 17s. in summer and 19s. in winter, and the retail price at a shilling higher². Even these limits were exceeded by surreptitious dealings. The merchant shipper sold his cargo at £19 the score, but "makes his underhand bargain that the [buyer] shall give him 40s. more in every score"; the wharfingers and woodmongers "pretend that their charges, viz., for metage, lighterage, wharfage and carriage, stand them in 2s. the chaldron, but that charge we find to be borne by the allowance of the over-measure from the merchant"; and the retailers, who supplied the poor by the peck and half-bushel, charged 8d. the bushel, or at the rate of 24s. the chaldron, "which we conceive", said the justices of Surrey, "to be a great abuse"³. The efforts of the Government to keep down prices resulted in a shortage, and it was forced to concede 'a free trade' to the shippers, that is, the right to sell their coal according to market prices⁴.

Prices
during the
Interreg-
num.

In the troubled decade which opened with the meeting of the Long Parliament the price of coal was the barometer which registered the economic disturbances produced by the political turmoil. In 1640 the retail price touched 40s.⁵; it was predicted that 60s. would be reached before winter⁶; but the arrival of the coal fleet brought it down to 22s.⁷. The following year the London authorities held an inquiry into 'the excessive rates and prices' of coal, which they attributed to an understanding between the shippers, merchants and woodmongers to exploit in their own interests 'the present troubles at Newcastle'⁸. In the House of Lords the question was raised: "what power the lord mayor of London hath for setting of rates upon wood and coals"?

¹ *Supra*, p. 142; *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1397; *Nef, The Rise of the British Coal Industry*, ii. Appendix E, 396, 400. (The chaldrons on this page are London chaldrons, except the first.)

² *State Papers Domestic*, 1638-1639, p. 327. The retail price in 1620 was about 17s. 4d.: *infra*, p. 424.

³ *State Papers Domestic*, 1638-1639, pp. 88, 91, 104-105 (Reports from the J.P.'s of Westminster, Middlesex and Surrey). ⁴ *Ibid.* 164, 173.

⁵ *Hist. MSS. Comm. Various*, ii. 259.

⁶ *Ibid.* Rutland, i. 524.

⁷ *Ibid.* Various, ii. 259.

⁸ *House of Lords Journals*, iv. 128.

and the significant admission was made by the recorder of the city "that there have many proclamations formerly been made for the lord mayor to set prices on commodities, but he cannot say they can be done *de jure*"¹. The House of Commons gave the lord mayor authority in 1643 to consider "what rate is fit to be set upon Newcastle coals", ordering that meanwhile the retail price² was not to exceed 22s. at the wharf³; and the same year, when Newcastle was 'possessed by malignants'⁴, the interruption of trade raised the price to 23s.⁵. By the end of the Civil War the price had mounted to 26s., and the coal dealers attributed the advance to a variety of causes—the imposition of an excise; "the great hazard and adventure of the sea not only in relation to wealth or casualty, but from the enemy"; the "extra-ordinary price of victuals and of wages"; the diversion of men and ships from the coal trade to the service of the State; the enhanced price charged at Newcastle; and finally the cessation of 'gift coals' by which twenty-four chaldrons or even more were reckoned to the score⁶. Under the Commonwealth the First Dutch War caused the price of coal to soar to 'double that of ordinary times'⁷; and the Government, following in the path of its predecessors, directed the London authorities 'to take remedy for the extra-ordinary price of coal'⁸. Accordingly the price of coal was fixed for London and Middlesex⁹.

After the Restoration the agitation grew in intensity, the coal trade being severely disorganized by the Dutch Wars and the Fire of London. The inhabitants of London demanded that the prices authorized in 1638 should be

¹ *House of Lords Journals*, iv. 132.

² Per London chaldron.

³ *House of Commons Journals*, ii. 946. The shipmasters paid 11s. for a Newcastle chaldron, "which usually is estimated to be one chaldron and a half and better of London measure", and the charge of loading coal aboard was about 12d. a chaldron: *House of Lords Journals*, iv. 131.

⁴ *Sea-coale, Char-coale, and Small-coale* (1643). *Infra*, Appendix, p. 491, No. 2.

⁵ The winter price was 23s. and the summer price 20s. (per London chaldron): *Acts and Ordinances of the Interregnum*, i. 83-84. But the interruption of the trade to Newcastle made coal unobtainable: *Hist. MSS. Comm. Various*, iv. 286; *State Papers Venetian*, 1643-1647, p. 30.

⁶ W. L., *The Woodmongers Remonstrance* (1649), 28.

⁷ *State Papers Venetian*, 1647-1652, p. 310 (1652).

⁸ *Tudor and Stuart Proclamations* (ed. Steele), i. No. 2978 (1652).

⁹ *Middlesex County Records*, iii. 212 (1653).

Prices
after the
Restoration.

confirmed by Act of Parliament ¹; and their wishes were met to the extent that Parliament in 1665 empowered the lord mayor and aldermen of London, and the justices of the peace in counties, "to set the rates and prices of all such coals as shall be sold by retail as they from time to time shall judge reasonable, allowing a competent profit to the retailer beyond the price paid by him to the importer and the ordinary charges thereupon accruing" ². On the strength of this Act the local authorities at once proceeded to fix the retail price at 30s. ³. Their action provoked great excitement. The merchants refused to sell their coal at the stipulated price: importation from Newcastle was stopped: and over twenty coalowners on the Tyne entered into an agreement to cease production for shipping, alleging that their capital was exhausted ⁴. The Government was forced to issue a proclamation restoring a free market, though it tried to exempt coal already at London ⁵; but the situation, aggravated by war and other calamities, had passed beyond its control. The following year the Hostmen again suspended production for shipping ⁶; as a result, in the summer of 1666, less than one-third of the usual supplies reached London: large quantities were also destroyed in the Fire ⁷: and prices soared to famine heights ⁸. It is said that the 'incredible want of coal' brought London near to insurrection ⁹; and though the situation was saved by the opportune arrival of coal ships which had escaped the Dutch ¹⁰, the shortage of coal was one of the causes of the speedy conclusion of peace ¹¹.

The extent to which the retailers seized the opportunity for extortion was revealed in a subsequent inquiry, which

¹ *State Papers Domestic*, 1663-1664, p. 67; 1664-1665, p. 154.

² *Statutes*, v. 552.

³ Per London chaldron: *State Papers Domestic*, 1664-1665, p. 262 (1665). See *infra*, Appendix, p. 491, No. 3.

⁴ *State Papers Domestic*, 1664-1665, p. 338; Galloway, *Annals of Coal Mining*, i. 144-145.

⁵ *State Papers Domestic*, 1664-1665, pp. 359-360 (1665); *Tudor and Stuart Proclamations* (ed. Steele), i. No. 3417.

⁶ *Records of the Hostmen*, 131.

⁷ *State Papers Domestic*, 1666-1667, p. 171.

⁸ The retail price reached £6 per London chaldron: *ibid.* 1667, p. 190; *House of Commons Journals*, viii. 676.

⁹ Matthew, *A Mediterranean Passage by Water* (1670), 8.

¹⁰ *Hist. MSS. Comm. Buckinghamshire*, 369.

¹¹ Matthew, *A Mediterranean Passage by Water* (1670), 8.

serves incidentally to throw new light upon the character of Sir Edmund Godfrey, the magistrate before whom Titus Oates laid his depositions on the Popish Plot. Godfrey, who was a woodmonger of Westminster, is supposed to have received his knighthood in reward for his " strenuous efforts to maintain order and relieve distress " during the Plague¹. The nature of his activities after the Fire was disclosed before a committee of the House of Commons when Godfrey confessed that he and others had sold coal to the poor at the rate of 72s. the chaldron², although he paid only 41s., ' or 47s. at the most ' ³, and was allowed one chaldron to the score as a free gift ; he also admitted that he had " sustained no loss in his coals or fuel by the Fire as most of the woodmongers in London did ". The committee in its report characterized his dealings as " a very great extortion and oppression, especially to poor people " ⁴. It was a retailer of this kind whom Crowley had pilloried a century earlier in his ' Epigram ' on ' The Colier of Croydon ' :

" It is sayde that in Croydon there dyd sometye dwell
A Colier, that dyd all other Coliers excell.
For his riches thys Colier myght haue bene a knight ;
But in the order of knighthode he hadde no delyght.
Woulde God all our knightes dyd minde colinge no more,
Than this Colier dyd knyghtyng, as is sayde before !
For when none but pore Colyars dyd wyth coles mell,
At a reasonable price they dyd theyr coles sell ;
But sence oure Knyght Colyars haue had the fyrste sale,
We haue payed much money and had fewe sackes to tale.
A lode that of late yeres for a royall was solde,
Wyll coste nowe xvi.s. of syluer or golde.
God graunt these men grace theyr pollyng to refrayne,
Or els bryng them backe to theyr olde state agayne.
And especially the Colyar that at Croydon doth sell ;
For men thyncke he is cosen to the Colyar of Hell " ⁵.

¹ *The Dictionary of National Biography*, s.v. Godfrey.

² Per London chaldron.

³ The wholesale price per London chaldron was 41s. to 47s.

⁴ *House of Commons Journals*, viii. 676. Shortly before Godfrey had professed concern at the sufferings of the poor owing to the dearness of fuel and want of employment : *State Papers Domestic*, 1665-1666, p. x.

⁵ Crowley, *Epigrammes* (Early English Text Society Publications, 1872).

*Proposal
for an ex-
periment in
Socialism.*

A few years later, when the Third Dutch War occurred, the price of coal again aroused concern, and once more the London corporation was directed (1672) to fix a scale.¹ Contemporary opinion held that the discrepancy between Newcastle and London prices was in excess of a just allowance for freight and other charges. A letter from Newcastle, for example, stated that coal at the port of lading cost 10s. put aboard 'all charges paid', and freight and wages brought the total at London to 20s.: this estimate was for the Newcastle chaldron, "which as you rightly compute makes at London more than one and a half chaldrons"². Another writer gives a similar total in which the items included the price at Newcastle 7s., freight 6s., London dues 3s., lighterage, wharfage and cartage 4s.³ These figures were made the basis of a proposal for an experiment in State Socialism, namely, that the coal trade should be taken over by the State and placed in the hands of commissioners: "whereby the subjects may be supplied with coals at easy rates, and not be exacted upon as they now are"⁴. If the retail price were fixed at 22s. the London chaldron, a profit of about 80 per cent. would be made⁵, and the consumer would still reap the

¹ *State Papers Domestic*, 1671-1672, p. 474; *Hist. MSS. Comm. Le Fleming*, 91.

² *State Papers Domestic*, 1672-1673, p. 253.

³ *The Grand Concern of England explained in Several Proposals* (1673), 59-60. In 1703 it was stated that the price of coal per Newcastle chaldron (about 53 cwt.) was about 10s. and the local charges were 12d. (the 'Richmond shilling') and 6d. The further charges at London per London chaldron (about 28 cwt.) were metage 4d., orphans 6d., St. Paul's 12d., 'her majesty's duty' 5s., and freight 3s.: *House of Lords MSS.* 1702-1704, p. 239. The London dues varied. See *infra*, Appendix, p. 491, No. 4.

⁴ *The Grand Concern of England explained in Several Proposals* (1673), 59-60. See *infra*, Appendix, p. 492, No. 1.

⁵ This assumes the price of the Newcastle chaldron to be 20s., and 3 Newcastle chaldrons to be the equivalent of 5 London chaldrons. The size of the Newcastle chaldron varied at different periods. During the earlier part of the seventeenth century it contained 42 cwt.; it was fixed at 52½ cwt. in 1677, and 53 cwt. in 1695. The London chaldron was fixed in 1665 at 28 cwt.: *Records of the Hostmen*, 44, 164, 260. The relation of the Newcastle to the London chaldron fluctuated. Down to 1677 the former was usually "estimated to be one chaldron and a half and better of London measure": *House of Lords Journals*, iv. 131; *State Papers Domestic*, 1672-1673, p. 253. Subsequently one Newcastle chaldron became roughly the equivalent of two London chaldrons: Cf. *Hist. MSS. Comm. Portland*, vi. 105. In 1800 eight Newcastle chaldrons were considered the equivalent of fifteen London chaldrons: *Parliamentary Papers* (1800), ix. 13.

benefit of lower prices. After the Revolution, Parliament endeavoured to strike at the root of the evil by making price agreements illegal. It enacted (1710) that all contracts or agreements made between " coalowners, lightermen, fitters, masters or owners of ships or vessels; crimps, coal-factors, or other person or persons whatsoever concerned in the coal trade, for engrossing coals or for restraining or hindering any person or persons whomsoever from freely selling, buying, loading or unloading, navigating or disposing of coals in such manner as they lawfully may, shall be and are hereby declared to be illegal, null and void " ¹.

The problem of price control continued to perplex the eighteenth century as it had done the seventeenth. A parliamentary committee investigated the subject of combinations in the coal trade in 1730, and an Act was passed to destroy the monopoly of the lightermen ². Some years later the controversy once more revived, and its details throw light upon the situation as it existed about the middle of the eighteenth century. In 1738 the London authorities had been again empowered by Statute to ' set the price ' upon coal for one year ³; but their efforts proved unavailing, and many of the industries which were consumers of coal laid their grievance before Parliament ⁴. When the Spanish War broke out coal approached 80s. the chaldron ⁵, and the justices of the peace for Westminster presented a report (1740) to the legislature in which they gave an illuminating account of the difficulties of attempting to control prices. They pointed out that the Act of 1665 gave authority to regulate prices to justices of the peace for counties alone ⁶; and in any case " they could not, as that law now stands, enforce it for the reasons following. For that the Statute gives no power to the justices to oblige any retailer of coals to appear before them, nor to examine him on oath, or to produce his books or accounts, or to compel his servant or other person to give evidence on oath, whereby it might appear what price he paid for his

Price control in the eighteenth century.

¹ *Statutes*, ix. 497.

² *Supra*, p. 139.

³ *Statutes at Large*, vi. 62.

⁴ *House of Commons Journals*, xxiii. 263 (1739).

⁵ *Hist. MSS. Comm. Buckinghamshire*, 254.

⁶ Also to the authorities of the city of London: *supra*, p. 146.

coals and what were the charges accruing thereon ; and that great difficulties would arise in settling the price (as retailers cannot be compelled to answer on oath) in cases where several parcels of coal have been bought at different times and prices and heaped together ; and that no penalty is laid on persons selling at a higher rate than what is settled by the justices, nor any directions given to publish the price ; and when the price is settled, if the retailer refuses to comply with it, the provision made for entrance into his wharf or house by force is so worded that they cannot think it safe, either for themselves or officers, to execute what is required of them ". And even if retailers were brought under control it would be impossible to reduce prices so long as it lay " in the power of any set of men by combinations or any other artifices to fix what price they please on coals in the Pool or at the pits ". It was mentioned that retailers now sold their coal for 72s. the chaldron, " since they have been obliged to pay 50s. in the Pool ^{1a}, 13s. for carriage, and other charges for metage, wharfage and loading amounting to 2s. 8d. more, besides the second charges they are at in re-delivering them to their customers " ¹. In spite of the practical difficulties of administering the Act of 1665, Parliament in 1744 extended its operation. Hitherto confined to those districts which consumed Thames-borne coal, it was now applied to all counties and places where coal, brought by sea, was offered for sale ². Over forty years later the legislature was still seeking to prevent the exploitation of the consumer ; and in 1788 it prohibited associations of coal merchants numbering more than five persons in order that the trade might remain ' free and open ' ³.

The series of experiments in price regulation, whose history we have related, extended over two centuries. They are worth attention as furnishing the most conspicuous example of the age-long conflict between producers and con-

^{1a} *I.e.* the wholesale price per London chaldron in the Coal Exchange: *supra*, p. 138.

¹ *House of Commons Journals*, xxiii. 465. In 1730 witnesses stated before a parliamentary committee that coal brought to London could not be sold for less than 25s. or 26s. per chaldron ' to answer insurance and interest ', and if the shipper were ' to get a living profit ': *ibid.* xxi. 372, 516.

² *Statutes at Large*, vi. 251.

³ *Ibid.* xi. 511.

sumers for control of the market. The importance of coal as a primary necessity made the continuous advance in its price a matter of genuine concern to manufacturers and householders. Opinion was sharply divided as to whether the advance was due to the coalowners and fitters in the North or the lightermen in the South ¹; and the existence of combinations and rings in the coal trade—to an extent unparalleled in any other branch of trade—was a perpetual irritant and a fertile source of suspicion. The restriction of output in the northern coal-fields, coupled with the manipulation of the London market, must have exercised a dominating influence upon price movements; but natural causes were at work, although their operation was apt to escape public attention. First of all, there was a general rise in prices from the middle of the sixteenth century to which all price movements of particular commodities must necessarily be related. In the next place, the mining industry was subject in this period to the law of diminishing returns. As the demand for coal expanded, mining operations grew more difficult, and the expenditure of capital increased not only absolutely but relatively. Three stages of mining are to be distinguished—the ‘day-hole’ where no machinery is required, and the coal is obtained by surface working; the ‘pit and adit’ where the coal is raised by machinery, and the water drained by aqueduct (adit); and the ‘pit’ where coal and water are both raised by machinery ². The last stage was reached when the coal had to be ‘won’ from under the level of the water, and natural drainage became impossible. This transition from the shallow collieries of an earlier period to pits sunk ‘thirty, forty, fifty, sixty fathoms deep’ ³—and even a hundred fathoms ⁴—involved a capital expenditure out of all proportion to previous costs of working. At the same time the increased demand for labour caused a rise

*Causes of
price move-
ments.*

¹ *Hist. MSS. Comm. Buckinghamshire*, 28; *House of Commons Journals*, xxiii. 263, 313; Gardiner, *England's Grievance Discovered* (1655), ed. 1796, p. 69.

² See diagram in Galloway, *Annals of Coal Mining*, i. 74 (also pp. 32-33, 56, 125). Also see Nef, *The Rise of the British Coal Industry*, i. 351.

³ *Hist. MSS. Comm. Portland*, vi. 106 (1725); Laurence, *A New System of Agriculture* (1726), 195. See *infra*, Appendix, p. 492, No. 2.

⁴ Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 29.

in the wages paid to underground workers, keelmen, and seamen¹

Distributive costs.

On the distributive side the important factor was the cost of carriage, which depended upon three distinct elements—conveyance of the coal from the pits to the staiths on the river-side; transport by water; cartage along the streets to the homes or workplaces of the consumers. It was pointed out in the seventeenth century that a colliery might have no value unless it had “the conveniency to convey the coal at a small charge to some river”²; and the first railways were constructed to carry coal from the pits. The method of conveying coals by rails was employed in Nottinghamshire in the reign of Elizabeth³. One of the earliest descriptions is given by Roger North (1676): “Another thing that is remarkable is their way-leaves; for when men have pieces of ground between the colliery and the river, they sell leave to lead coals over their ground, and so dear that the owner of a rood of ground will expect twenty pounds per annum for this leave. The manner of the carriage is by laying rails of timber from the colliery down to the river, exactly straight and parallel; and bulky carts are made with four rowlets fitting these rails; whereby the carriage is so easy that one horse will draw down four or five chaldrons of coal and is an immense benefit to the coal merchants”⁴. Although artificial roads were ‘an immense benefit’, they were attended by the drawback that they generally passed through the grounds of several proprietors who required the coalowners to pay high prices for their trespass⁵, which had its influence upon the price of the commodity. After the coal reached the river it was loaded on the vessels by keels or lighters, and the lighterage charges at Newcastle were a

¹ *Supra*, p. 143. The rise in seamen’s wages was attributed to the length of the voyage and ‘the danger of the passage’: *House of Lords MSS.* 1704–1706, p. 226.

² Primatt, *The City and Country: Purchaser and Builder* (1667), 5.

³ 1598: *Hist. MSS. Comm. Middleton*, 169, 177. This is sixty-two years earlier than the date (1660) recorded in Galloway, *Annals of Coal Mining*, i. 156.

⁴ *The Lives of the Norths* (ed. Jessopp), i. 176. Cf. Celia Fiennes, *Through England on a Side Saddle*, 175.

⁵ *Hist. MSS. Comm. Portland*, vi. 104; *Acts of the Privy Council*, 1616–1617, pp. 271–272.

contributory cause of the rise in prices ¹. As ships of larger burden now frequented the Tyne they were mainly loaded at Shields, which necessitated "a double number of keels, which keels also cost double as much in repairing, besides treble hazard of the loss of keels and goods" ². The subsequent disposal of the coal depended upon its destination. Coal intended for the ports went by sea; coal for inland places by river or road. Transport by river and road alike was costly. Carriage of coal by water from London to Abingdon, near Oxford, cost eighteen shillings per chaldron in the early part of the eighteenth century ³. Carriage by road increased the price of coal more than threefold. "We met", wrote a traveller in 1725, "several parcels of horses laden with sacks of coal, two on each horse. . . . Each of these sacks holds generally somewhat more than a bushel. The best is brought from Etherley colliery, ten miles from Darlington, and is there delivered at twopence halfpenny per bushel, which is sold at Darlington for eightpence" ⁴. Similarly, Defoe declared that "the coals in several parts of England, where they are carried twenty to thirty miles and more by waggons and horse carriage, are bought for two or four shillings per chaldron at the pit and are worth from five to ten times that sum at the consumer's, merely by the expense of carriage" ⁵. Finally, there was the cost of cartage to the consumer's house; and the justices of the peace for Westminster in their report of 1740 laid particular stress upon "the excessive price of the carriage occasioned by the miserable condition of the streets" ⁶.

A further cause of the advance in prices was the excise on coal, 'greatly exceeding the prime cost' ⁷. In addition to local dues imposed at Newcastle ⁸ and London the Crown

Other factors.

¹ In a dispute over lighterage charges 300 vessels were held up in 1656: *State Papers Domestic*, 1655-1656, p. 280.

² *Records of the Hostmen*, 108.

³ *House of Commons Journals*, xxiii. 313 (1739).

⁴ *Hist. MSS. Comm. Portland*, vi. 100. See also Celia Fiennes, *Through England on a Side Saddle*, 205.

⁵ Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 27.

⁶ *House of Commons Journals*, xxiii. 465.

⁷ *Ibid.* xxiii. 263.

⁸ In the early seventeenth century they were 3d. per Newcastle chaldron on coal sold at home: *State Papers Domestic*, 1635, p. 168. The local duty [contd.]

levied a heavy duty ¹, while it also received from the Hostmen a payment of one shilling per chaldron on coal exported from Newcastle for home consumption—this was subsequently transferred to the Duke of Richmond and became known as the ‘Richmond shilling’ ². The burden of these dues fell, as Gardiner pointed out in 1655, ‘upon the whole nation’s back’ ³; and those who resisted proposals to raise revenue from the coal trade for fear of ‘great clamour of the poor’ ⁴ had no doubt as to the incidence of taxation. Another heavy charge on coal was the rents and royalties paid to mineral-owners ⁵. The fact that the coal trade was a sea-borne traffic also exposed it to vicissitudes from which other home trades were largely, if not entirely, free. In earlier times the Dunkirk corsairs constituted a grave menace: in 1596 the Privy Council ordered that the Newcastle hoys should go armed and ‘together in consort’ ⁶; while in 1626 the proposal was made to provide a convoy “to secure the colliers from Newcastle to London, who now dare not pass for fear of the Dunkirkers” ⁷. War occasioned a more serious interruption than even privateers: the sailing of the coal fleet was delayed either from the fear of seamen that they would be impressed for service in the navy ⁸, or until a convoy could be provided ⁹. In 1672, for example, it was said that the pressing of seamen “so much deterred the colliers from coming over that coals are come to double the price of what they

on coal exported abroad was 16d.: *ibid.* For London local dues, see *supra*, p. 148, note 3.

¹ It was 5s. per London chaldron: *Statutes*, vi. 603 (1694). For dues levied on coal, see Dunn, *View of the Coal Trade*, 16-27. Also see *infra*, Appendix, p. 492, No. 3.

² The Hostmen undertook to pay a duty of 12d. in return for Elizabeth’s charter (*supra*, p. 129), and in lieu of a duty of 2d. existing as early as 1421 (*Statutes*, ii. 208), which had fallen into arrears: *Records of the Hostmen*, 17. It was given by Charles II. to the Duke of Richmond in 1677 and abolished in 1831: *ibid.* 28, 223-225. For duties on coal exported abroad, see *supra*, p. 116, note 6.

³ *England’s Grievance Discovered* (1655), ed. 1796, pp. 14-15.

⁴ *State Papers Domestic*, 1644-1645, p. 122.

⁵ On lessees of mines and royalties, see Nef, *The Rise of the British Coal Industry*, i. 265, *seq.*; Ashton and Sykes, *The Coal Industry of the Eighteenth Century*, 3, 188 *seq.*

⁶ *Acts of the Privy Council*, 1596-1597, p. 61.

⁷ *House of Lords Journals*, iii. 547.

⁸ *House of Commons Journals*, xxiii. 465.

⁹ *State Papers Domestic*, 1666-1667, pp. 10-11.

were " ¹. And the resources of the navy were not always equal to the task of providing convoys without which the colliers were at the mercy of the enemy men-of-war ². " Our want of mariners ", said a writer in 1700, " enough at once to man our navy and colliers, cost London and the dependencies upon the River Thames (during the late war) above £700,000 only in the price of coals " ³. In the circumstances it was natural to conclude that " the colliers have had always the best trade in time of war " ⁴. All these various factors exerted an influence on the price of coal, but it is not surprising that consumers failed to distinguish between an advance due to general economic causes and the fluctuations produced by agreements on the part of trade combinations.

(VII)

IRON

The iron industry occupied a prominent place in the national economy : among the industries of the country it ranked high in importance ⁵. It had two main branches, one concerned with the production of pig and bar iron, and the other with the manufacture of iron wares. The development of the two branches was signally contrasted. The former employed charcoal, and its progress was retarded by a shortage of supplies. The latter used coal ⁶, which existed

*Branches
of the iron
industry.*

¹ *Hist. MSS. Comm. Egmont*, ii. 28. See *infra*, Appendix, p. 493, No. 1.

² In 1667 a coal fleet of 200 sail found itself confronted by a man-of-war of 50 guns off Scarborough : *Hist. MSS. Comm. Le Fleming*, 45.

³ Puckle, *England's Path to Wealth and Honour* (1700), 24. Examples of the provision of convoys are : *House of Lords Journals*, iii. 547 (1626) ; *Hist. MSS. Comm. Cowper*, i. 379 (1629) ; *State Papers Domestic*, 1629-1631, p. 222 ; *ibid.* 1652-1653, p. 559 ; *ibid.* 1655-1656, p. 280 ; *Hist. MSS. Comm. Le Fleming*, 93 (1672) ; *The Autobiography of William Stout of Lancaster* (ed. 1851), 35 (c. 1691). For the estimated cost of a convoy in 1630, see *Remembrancia of the City of London*, 86. (The seamen were paid 22s. a month.) Also see *infra*, p. 194.

⁴ *State Papers Domestic*, 1671-1672, p. 474. Defoe proposed an insurance scheme, ' the assurers to find the necessary convoys ' : *House of Lords MSS.* 1704-1706, p. 226.

⁵ Yarranton made the exaggerated claim that the iron works were of the same value as the woollen manufacture and employed ' near as many people ' : *England's Improvement* (1677), 56. Eighteenth-century petitions claimed that the iron industry was the second industry in the numbers employed, maintaining 200,000 people : *House of Commons Journals*, xix. 118 ; xxiii. 772.

⁶ *House of Commons Journals*, xxiii. 110.

in abundance, so that its progress was unhampered. As a result, more raw iron was imported into England than was made here, while large quantities of iron goods were exported abroad. "No particular manufacture can be named", wrote Defoe, "which has increased like this of the hardware.

. . The best knife blades, scissors, surgeon's instruments, watches, clocks, jacks and locks that are in the world, and especially toys and gay things, are made in England"¹.

*Methods
of iron-
making.*

Iron deposits in this country were worked by the Romans, and in the seventeenth century 'prime and best' iron was made in the Forest of Dean from the cinders which they had discarded in 'infinite quantities' before the iron had been entirely extracted². Originally bar or malleable iron was obtained direct from the ore in a bloomery or open-hearth forge, but by the sixteenth century³ the ore was being smelted in a blast-furnace, and its product (pig iron) 'refined' into bar iron at the forge. The forge consisted of a 'finery' and a 'chafery': in the former the iron was hammered into 'blooms' (a mass of iron); in the latter it was reheated and beaten into bars. At first the bellows were 'treaded' by men—this was known as the foot blast: subsequently the bellows were worked by a wheel turned by water: and the forge hammers also came to be driven by water-power⁴.

*Scarcity
of fuel.*

The iron industry, like the cloth industry, was widely dispersed, its geographical distribution being governed primarily by its dependence upon fuel. The scarcity of this commodity was the most pressing problem in the industry. The destruction of timber excited considerable anxiety in the sixteenth and seventeenth centuries. It was even proposed at the accession of Elizabeth to banish iron mills out of the realm, since it was computed that 'a hammer and a furnace' consumed yearly on an average three thousand loads of 'great wood made into coals', with the result that

¹ *A Plan of the English Commerce* (ed. 1728), 290-291.

² Yarranton, *England's Improvement* (1677), 59-60. Cf. Dudley, *Mettallum Martis* (1665), 51.

³ The older method still survived much later: Ashton, *Iron and Steel in the Industrial Revolution*, 3-4, 235, note.

⁴ For descriptions of furnaces and forges, see Dudley, *Mettallum Martis* (1665), 50 seq.; *Hist. MSS. Comm. Portland*, ii. 293, 309 (1681); Plot, *The Natural History of Staffordshire* (1686), 161 seq.

the price of timber and iron alike had risen threefold within recent years¹. A stream of legislation sought to preserve the woods of England from the encroachments of the ironmaster. In 1559 it was forbidden to employ—as fuel for making iron—oak, beech or ash timber growing within fourteen miles of the sea or of rivers “by which carriage is commonly used by boat to any part of the sea”. Sussex, the Weald of Kent, and certain parts of Surrey were exempted from the Act². The opposition aroused by the presence of furnaces and forges was shown in 1577, when the Cinque Ports protested against the erection of iron works at Westfield, on the ground that timber was required for building ships, boats and houses, for maintaining piers, harbours, groynes and jetties, and for providing firewood in winter. Failing to persuade the owner, they appealed to the Privy Council and instructed their representatives in Parliament to promote a Bill for the preservation of the woods in their locality³. In 1581 another Act forbade ironmasters to use timber growing within twenty-two miles of London and other specified areas, or to erect new iron works within the prohibited areas. Four years later the prohibition against the erection of new iron mills was extended to the counties of Sussex, Surrey and Kent⁴.

Complaints of the ‘general destruction and waste of wood’ were not less frequent in the next century. ‘No wood’, the warning was uttered, ‘no kingdom’⁵.

*Complaints
in the
seven-
teenth
century.*

“These iron times breed none that mind posterity . . .

Jove’s Oak, the warlike Ash, vein’d Elm, the softer Beech,
Short Hazel, Maple plain, light Aspe, the bending Wych,
Tough Holly, and smoother Birch, must altogether burn :
What should the builder serve, supplies the forger’s turn ;

¹ *Hist. MSS. Comm. Salisbury*, i. 164 ; xiii. 23 (also p. 21). Cf. *ibid. Rutland*, i. 138.

² *Statutes*, iv. part i. 377.

³ *Hist. MSS. Comm. Rye*, 56-57, 63, 75-76 (1577-1581) ; *Acts of the Privy Council*, 1577-1578, p. 265. Lord Buckhurst, the owner, replied that the Cinque Ports had exported within two years 1000 tons of timber.

⁴ *Statutes*, iv. part i. 667 (1581), 726 (1585).

⁵ Standish, *The Commons’ Complaint* (1611) ; Standish, *New Directions for the Planting of Timber* (1613) ; R. C., *An Olde Thrift Newly Revised* (1612) ; *Hist. MSS. Comm. Portland*, viii. 2 (1628).

When under public good, base private gain takes hold,
And we poor woeful Woods, to ruin lastly sold.
This utter'd they with grief. . . ."¹

Under James I. the Lord Deputy of Ireland was enjoined to take order for the preservation of woods, "considering the great decay thereof in this realm"². Charles I., alleging the desire to reform 'the great waste of timber', created the office of surveyor of iron works, attaching to it the right of exacting fees; and the judges of assize were instructed to put into execution the laws made for the preservation of timber³. The Government of the Commonwealth showed anxiety on the subject, and Parliament ordered the suppression of the iron mills in the Forest of Dean⁴. The increasing consumption of wood naturally advanced its price, and this was commonly interpreted as an indication of scarcity⁵. In its turn the price of commodities made of wood was raised. Dudley, writing after the Restoration, affirmed that "in King James's reign ships in most ports and rivers of this kingdom (Thames excepted) might have been built for forty shillings per ton, but now they can hardly be built for treble the value, wood and timber is so much decayed"; and he attributed to the same cause the increase in brick-making⁶. Yet whether there was a national as distinct from a local scarcity may be questioned. We should expect that the demands of the iron industry, coupled with the advance in price, would encourage the preservation of woods which otherwise might have been turned into pasture or tillage⁷.

Migration
of iron
works.

The ironmasters sought to overcome the difficulties which beset them in one of two ways. The first was by migration to new centres where supplies of timber were more plentiful. A seventeenth-century saying ran: "He that liveth longest

¹ Drayton, *Polyolbion*, Song xvii. 396 seq. (1613).

² *Acts of the Privy Council*, 1613-1614, p. 108.

³ *State Papers Domestic*, 1636-1637, p. 162; 1638-1639, p. 7.

⁴ *Ibid.* 1649-1650, pp. 444, 465; 1651, p. 151; 1659-1660, p. 413.

⁵ *Hist. MSS. Comm. Beaulieu*, 108-109 (*temp.* James I.).

⁶ *Mettallum Martis* (1665), Epistle; and p. 46.

⁷ This was Yarranton's contention: *England's Improvement* (1677), 60-61. The alleged decay of timber was also questioned by Petty, *Economic Writings*, i. 294. Cf. also *supra*, p. 117.

let him fetch fire further" ¹. When the Wealden iron industry decayed, its place was taken by the Forest of Dean, where (wrote Yarranton in 1677) 'infinite quantities' of iron are made ². In the eighteenth century iron works, and coppice woods for making iron, were said to exist in about half the counties of England and Wales ³, but the iron works could not easily 'follow the woods' ⁴, so that many of them died out when the scarcity of fuel made it too dear. The second solution of the problem was to find a substitute for wood.

"If they [the iron mills] go up, down goes the goodly trees.
I'll make them search the earth to find new fire" ⁵.

The 'new fire' was coal which was extensively used in the seventeenth century for brick-making, brewing, dyeing, casting of brass and copper, as well as for making iron wares ⁶, but was not suitable, on account of the sulphur in it, for making raw iron. The discovery of a process by which coal could be employed in smelting iron ore engaged the attention of inventors for two centuries; and it serves as a fresh reminder that the 'Industrial Revolution' was only the culmination of a long series of industrial experiments in which the initial stages were necessarily the slowest and most arduous. Numerous patents for making iron with coal were granted by Elizabeth and her successors ⁷, but no real progress

Use of coal.

¹ Dudley, *Mettallum Martis* (1665), 10. In Norden, *The Surveyors Dialogue* (1607), 213, it runs: "Let them that live longest fetch their wood farthest".

² *England's Improvement*, 57.

³ *House of Commons Journals*, xxiii. 109. For the number and geographical distribution of iron works, see Sturtevant, *Metallica* (1612), ed. 1854, p. 5; Mantoux, *La Révolution Industrielle*, 272, note 1; Ashton, *op. cit.* 15, 19, 236.

⁴ *Hist. MSS. Comm. Rye*, 76; Standish, *New Directions for the Planting of Timber* (1613), 4.

⁵ Decker.

⁶ Sturtevant, *Metallica* (1612), ed. 1854, p. 8; Dudley, *Mettallum Martis* (1665), 47; Davenant, *Works* (ed. 1771), ii. 276.

⁷ Among the chief patents were the following: (1) 1589 (Proctor): *Tudor Economic Documents* (ed. Tawney and Power), ii. 262 *seq.* (2) 1595 (Cecil): *Hist. MSS. Comm. Salisbury*, v. 159. (3) 1607 (Chantrell): *State Papers Domestic*, 1603-1610, p. 346. (4) 1612 (Sturtevant): Sturtevant, *Metallica*. (5) 1613 (Rovenzon): Rovenzon, *A Treatise of Metallica*. (6) 1621 (Dudley): Dudley, *Mettallum Martis* (1665), 12. (7) Between
[contd.]

appears to have been attained until the eighteenth century, when the Darbys made the discovery. Dud Dudley, an undergraduate of Balliol brought down from Oxford at the age of twenty to manage his father's works, claims to have made iron of good quality with coal. Although enjoying a patent (1621) he suffered, according to his own account, from the malice of rival ironmasters and was discouraged by 'law-suits and riots' from prosecuting his inventions¹. Whether this was the true explanation, or whether he magnified his achievements, it is impossible to determine. Writing near the end of the seventeenth century Plot spoke of the utilization of coal for various purposes, but "for melting, fining and refining of iron it cannot be brought to do"²; and though Abraham Darby was smelting with coke at Coalbrookdale as early as 1709³, yet more than half a century later the Society for the Encouragement of Arts, Manufactures and Commerce, was offering premiums for making pig iron with coke "equally good as that made with wood charcoal"⁴.

Importation of foreign iron.

The scarcity of fuel retarded the development of the iron industry. The output of iron, so far from increasing, appears to have diminished. A parliamentary committee was informed in 1737 that the production of bar iron was only 12,000, 'or at most 15,000', tons as compared with 18,000 tons in 1718⁵; yet while the native output remained stationary or even declined, the importation of foreign bar iron within the same period was expanding. The principal source of the foreign supply was Sweden, which produced

1620 and 1640 there were 23 patents for furnaces, ovens, smelting, and refining: Price, *The English Patents of Monopoly*, 111; *State Papers Domestic*, 1628-1629, p. 15; Galloway, *Annals of Coal Mining*, i. 195, 225 (patents for coking coal). (8) 1651 (Buck): *Acts and Ordinances of the Interregnum*, ii. 509. (9) 1677 (de Blewston): *State Papers Domestic*, 1676-1677, p. 520. (10) 1692 (Addison): *ibid.* 1691-1692, pp. 137, 523; Scott, *Joint-Stock Companies*, ii. 466-467.

¹ *Metallum Martis* (1665) 5, 12-17. (The patent of 1621 was exempted from the Statute of Monopolies, 1624.) He obtained a new patent, 14 Charles I.

² *The Natural History of Staffordshire* (1686), 128.

³ Ashton, *op. cit.* 29, 249.

⁴ 1762; *Premiums offered by the Society* (etc.), No. 101 (p. 23).

⁵ *House of Commons Journals*, xxii. 854; xxiii. 110.

iron 'better and tougher than the English' and, except in the case of the best quality, also cheaper¹. After the Restoration it was computed that she sent us 12,000 tons a year². In the eighteenth century the quantity of imported Swedish iron fluctuated from year to year³. In 1711 it was short of 12,000 tons: in 1714 it nearly reached 20,000 tons: but in 1718, owing to the rupture between the two countries, the amount sank to 74 tons, and as a result the price of Swedish iron advanced from £16 to £24 a ton⁴. It is significant that Holland, which exported barely 250 tons in 1716, sent us nearly 8000 tons in 1718; it is therefore evident that Swedish iron was coming to England by another channel⁵. Russia did not become important as an exporter of iron until the thirties: in 1714 she sent us 13 tons, but in 1732 over 4000 tons. The quantity grew in later decades until in 1786 she exceeded Sweden, exporting 26,000 tons as against 17,000 tons. Other sources of supply included Spain and the East Country. The total imports of bar iron from all countries were between 14,000 and 22,000 tons in the second decade (except in 1717 when they fell to 7500 tons); and between 22,000 and 26,000 tons in the fourth decade⁶. Roughly speaking, two-thirds of the iron manufactured here came from abroad.

This dependence on foreign supplies for a commodity "so essential to the support of our fleet and of our navigation in general"⁷ appeared a national danger. It aroused opposition also on other grounds: it was held to drain away specie, and to expose native ironmasters to a competition which they could not meet on account of high wages and cost of carriage. The best quality of Swedish iron fetched £17, but other qualities were sold as low as £13: Russian

An early complaint of 'dumping'.

¹ Standish, *New Directions for the Planting of Timber* (1613), 4; *State Papers Domestic*, 1668-1669, p. 140.

² *State Papers Domestic*, 1668-1669, p. 140.

³ The table of foreign imports is given in Scrivenor, *History of the Iron Trade* (ed. 1841), 325 seq. See also *House of Commons Journals*, xxii. 772, 851; xxiii. 112.

⁴ *Autobiography of William Stout of Lancaster* (ed. 1851), 94 (see *infra*, Appendix, p. 493, No. 2).

⁵ "Holland enjoys the trade to our great detriment": *Hist. MSS. Comm. Stuart Papers*, vi. 105, 444.

⁶ Scrivenor, *op. cit.* 325 seq., 338.

⁷ *House of Commons Journals*, xxii. 851.

iron cost £11: English iron, £14¹. Even in the seventeenth century there was voiced the now familiar complaint of 'dumping'. The grand jury at Lewes protested against the importation of great quantities of Swedish and other foreign iron at low rates: "It will be proved upon oath that some Swedes who brought over iron this year, being demanded why they imported so great quantities at such low rates, plainly affirmed that they hoped thereby to destroy the making of English iron"². In addition to the demand for further duties on foreign iron, proposals were made to encourage the importation of iron from America; but the division of interests between the makers and users of iron postponed legislation until 1750, when the duty on colonial iron was removed³. The quantity of bar iron imported from America remained at first small until 1764, when England was made the staple for all colonial iron exported to Europe⁴ and the amount increased from 300 to 1000 tons; but although in some years it was double or nearly double this figure, it never became a serious competitor to Swedish or Russian iron⁵.

*Capitalist
organiza-
tion of the
iron
industry.*

The iron industry was organized on a capitalist basis. Apart from the groups of free miners engaged in extracting the mineral from the earth, and the survival of small independent producers in the metal trades⁶, every stage of the extractive and industrial processes was conducted on capitalist lines. The foundry and the forge were capitalist undertakings in which the raw material and fuel were owned, and the product marketed, by an entrepreneur; while capital was also invested in extracting the mineral as well as in the conversion of the metal into finished products. The close association of landowners with the iron industry is

¹ *House of Commons Journals*, xxii. 851 (1737). For somewhat different figures, see *The Interest of Great Britain in supplying herself with Iron impartially considered*, 9-10.

² 1661: *Victoria County History, Sussex*, ii. 248. Cf. *infra*, p. 175.

³ *House of Commons Journals*, xxii. 862; and *infra*, vol. iii. 191.

⁴ *Infra*, vol. iii. 126, note.

⁵ Scrivenor, *op. cit.* 328 *seq.* The quantity of pig iron imported from the colonies was not seriously affected by the Act: it remained generally at about 3000 tons.

⁶ See *infra*, pp. 168, 171.

exemplified in the Willoughbys of Nottinghamshire, whose correspondence throws light on the costs of production, the size of a sixteenth-century undertaking, and the amount of capital involved. "I have spoken with the iron-men about Walsall . . . of the prices of their trade", states a letter of 1571. "First, their stone is worth at the pit ready gotten 4s. every load; from the pit to Middleton every load carriage will cost 3s. or thereabout; every load of stone will make a bloom; the bloomer will have for every bloom 16d.; the bloom is made in twelve hours. Then the brander will have for every brand 6d. Every bloom makes two brands which will be wrought in four hours; eight blooms will make a ton of iron; and then there is allowed to the burning of every ton eight loads of coal, which is valued every load at 6s. 8d.; and every ton of iron is worth when it is branded £7 or thereabout. These charges are certain, besides other for common workmen as need shall require". The writer adds: "It is thought by them that have travailed long in the trade that your woods will be better sold, and more gain to you, than if you should set up smiths, considering the great charge and trouble that doth belong unto them". At Sir Francis Willoughby's works at Duffield in 1591 fifty tons of bar iron were made in six months; when sold for £600 they showed a profit of £125; the founder was paid £1 a week, while the finer and the hammerman received £40 for twenty-six weeks. At his works at Codnor in the same year the expenses for five months were estimated at £783, which included a weekly charge of £4:4s. for the founder, finers and hammermen, in addition to the payments made for ironstone, charcoal and the carriage of materials. It was calculated that the Codnor 'mills' could make two hundred tons of bar iron a year¹. Another iron works, owned by the Sidney family, produced one hundred and thirty-eight tons at £8 the ton, which made a profit of £312². In the seventeenth century, according to Dudley, a forge might make three tons or more

¹ *Hist. MSS. Comm. Middleton*, 494-497.

² *Hist. MSS. Comm.* iii. 228 (*temp.* Edw. VI.). The production of iron was highest at Robertsbridge (Sussex) in 1562, with 202 tons and £400 net gain: *ibid. Lord de L'Isle and Dudley*, 312 (also pp. 305 *seq.*). For another Sussex iron works, see *Sussex Archaeological Collections*, xiii. 129.

of bar iron weekly, though this was probably exceptional¹. Thus a relatively large amount of capital was invested in iron-making: and great fortunes were sometimes made by ironmasters. One example is Ambrose Crowley, of whom we shall speak later²; another is Thomas Foley, who in the early seventeenth century "from almost nothing did get about five thousand pounds per annum or more by iron works", and endowed a home for poor children with five hundred pounds a year³. The growth in the size of the industrial unit is seen in the history of the 'Gentlemen Ironmasters of Backbarrow'⁴. Established in 1711 at Furness, the Backbarrow Company consisted originally of four partners. The capital amounted to six thousand pounds, and the Company ultimately owned several furnaces and forges, and turned out cast-iron wares. In 1716 its profits from all sources amounted to £3850; while in 1726 the gain from one furnace alone was £2970, the profit per ton being nearly equal to the cost of production⁵.

*Features in
the struc-
ture of the
iron
industry.*

Three features in the structure of the iron industry must be noticed. First, it affords indications of the different stages of industrial organization. The 'gild' stage of the independent producer survived in the 'free miner' at one end and the small manufacturer of metal wares at the other; the 'domestic' stage was widespread in the metal trades, where the raw material was given out by an employer to be worked up in the men's homes; the 'factory' stage existed in the foundry and forge, where the processes were performed at the master's 'mill'. Secondly, evidence of integration in the iron industry exhibits an aspect of capitalist development which is often looked upon as new. It was common for the owner of a foundry and forge to control part, at any rate, of the sources of his raw materials—ironstone, wood and coal; and he sometimes extended his activities to the metal trades

¹ *Metallum Martis* (1665), 49. In the early eighteenth century a representative forge produced between 51 and 200 tons of bar iron a year: Ashton, *op. cit.* 238.

² *Infra*, p. 178.

³ *Reliquiæ Baxterianæ* (ed. Sylvester: 1696), part iii. 93.

⁴ Fell, *The Early Iron Industry of Furness*, 208, 236-238.

⁵ The rate of profit fell in subsequent years: see the comparison of costs, profits, and prices in *ibid.* 236, 238.

and turned the iron into finished products. In the early eighteenth century the Backbarrow Company owned not only furnaces and forges but mines and woods; and it produced not only raw iron but manufactured goods¹. The establishment of Ambrose Crowley affords another instance of an integrated business². Thirdly, the iron industry, like the coal trade, reveals the existence of associations or rings which controlled prices and regulated supplies. A striking example of a price agreement, which included the device of a 'pool'³, was the arrangement made in 1712 between the Backbarrow and Cunsey Companies: it fixed the price to be paid for charcoal, and in order to ensure a fair distribution of supplies it stipulated that the party which bought more than its quota should pay to the other a penalty proportioned to the excess⁴. The elimination of competition among the ironmasters of Furness enabled them to set the price of fuel as they pleased, and eventually it provoked the wood owners to build their own furnace which they undertook to supply with charcoal at a price to be governed by the market price of pig iron⁵. Another kind of price agreement related, not to the purchase of raw material, but to the sale of the product. A seventeenth-century ironmaster, Sitwell, agreed with his competitors in 1665 to sell bar iron at a fixed price⁶; and after the outbreak of the Seven Years' War the ironmasters of Furness decided that "no bar iron at home be sold under £19, at Liverpool £17 per ton"⁷. In marked contrast was the action of another ironmaster, Reynolds, who at the outbreak of the American War, instead of taking advantage of the high price of iron, invited his customers to nominate one of their number to name a fair price⁸. As in the parallel case of the coal industry⁹, the prevalence of price agreements among ironmasters may be explained by the fact that a slump in prices affects most seriously the owners of fixed capital. In the textile industries, as we have seen, the

¹ Fell, *op. cit.* 92, 130, 239.

² *Infra*, p. 179, note 4. Also *infra*, Appendix, p. 493, No. 3.

³ For an example in the coal trade, see *supra*, p. 132.

⁴ Fell, *op. cit.* 142.

⁵ 1748: *ibid.* Appendix E.

⁶ *Journal of the Derbyshire Archaeological and Natural History Society*,

x. 31.

⁷ Fell, *op. cit.* 254.

⁸ Rathbone, *Memoir of R. Reynolds*, 29.

⁹ *Supra*, p. 134.

employer's capital was mainly circulating ¹: in coal-mining and iron-making the employer owned most of the fixed as well as the circulating capital, so that a stronger inducement existed to avoid the evils of fluctuating prices. The producer did not, however, determine the ultimate price of his wares, since between him and the consumer was interposed the middleman. Iron from abroad passed through the hands of merchant importers who sold it to ironmongers, and the latter disposed of it to the iron manufacturers ². Hull was the port through which the cutlers of Sheffield obtained Swedish iron used for making steel: London was a channel for Swedish, Russian and American iron: Bristol imported American iron. Native iron might be sold direct to consumers such as the smiths, or disposed of through the medium of ironmongers. The manufactured wares in their turn passed through provincial and metropolitan dealers. In the iron—as in the textile—industry, London was the chief distributing centre of the kingdom. Sheffield, for example, sent her knives through the agency of factors to the metropolis, and only in the second half of the eighteenth century did a class of merchants arise which entered into direct relations with houses on the Continent and in America ³.

*The
workers
in iron.*

The workers in the iron industry embraced several classes, extending from those who produced charcoal, coal and ironstone, to those who turned the metal into finished products, the intermediate classes being the foundry and forge workers. An ordinary furnace was worked by seven men, of whom two were founders or keepers, three were fillers, and two were bridge-servers ⁴. Other men were employed in the preparatory processes, where women and children also assisted. At Furness the founder earned ten shillings a week, the filler seven shillings, and the bridge-server six shillings ⁵. In addition the employer usually provided a cottage—free

¹ *Supra*, p. 9. Cf. also Ashton, *op. cit.* 163.

² See *infra*, vol. iii. 191.

³ Lloyd, *The Cullery Trades*, 328-330.

⁴ The bridge-servers filled the baskets, and the fillers carried them to the top of the furnace: Fell, *op. cit.* 234.

⁵ This was before 1755. After 1755 the keeper received 10s.: 6d., and after 1785 the bridge-server earned 7s.: 6d.: *ibid.* 296. At Coalbrookdale the keepers received 11s., and the fillers 10s. 6d.: Ashton, *op. cit.* 190. See *infra*, Appendix, p. 493, No. 4.

or at a low rent—and 'firing', and paid the fees for medical attendance; and the men were stimulated to effort by gifts of ale, since iron-workers "must be well lined with sack, strong beer and good victuals"¹. Richard Reynolds built a school for the children of his workpeople, but the parents would only send them on condition of being paid for their attendance². Among the finers and hammermen engaged at the forge, who were at least two in number assisted by a boy³, apprenticeship was usual: in an indenture of 1761 the apprentice bound himself for three years 'at six pounds per year and his victuals to be paid', with the right to keep his earnings when the finers were not at work⁴. The forgemmen were remunerated on the basis of piece-wages or time-wages with a bonus on output; and in the foundry also the same methods of wage-payment existed when feasible⁵. At Rotherham, 'famous for its iron works', observed Arthur Young, "the forgemmen work by weight and earn from eight to twenty shillings a week, but twelve or fourteen shillings the average; the foundry men are paid by the week, from seven to ten shillings"⁶. The hours of labour were long. In the early eighteenth century thirteen and a half hours, exclusive of meals, constituted a working day at Crowley's establishment⁷; and near the end of the century ten and a half hours at Darby's⁸. In the foundry and forge, as in a textile factory, the men were employed on the master's premises. The domestic system, where the men worked on the employer's material in their own homes, existed in the final stage of the iron industry—the manufacture of iron wares; and long hours were customary here as elsewhere under the domestic system. In some branches of the industry the hours of labour depended upon the supply of water, and, as a conse-

¹ Fell, *op. cit.* 295-298. A cottage could be built for £20, and a workman, if required to pay rent, did so on the basis of "12d. per £" of the cost. See *infra*, Appendix, p. 493, No. 5.

² Rathbone, *Memoir of R. Reynolds*, 30, 46.

³ Ashton, *op. cit.* 191.

⁴ Fell, *op. cit.* 296. The period of apprenticeship lasted up to seven years.

⁵ *Ibid.* 290; Ashton, *op. cit.* 192.

⁶ *Tour through the North* (ed. 1771), i. 115.

⁷ The Law Book, Nos. 40 and 103 (see *infra*, p. 179).

⁸ Ashton, *op. cit.* 194.

quence, irregularity of work became habitual even when there was no deficiency of water-power to provide a pretext for idleness.

" Brother workmen, cease your labour,
Lay your files and hammers by ;
Listen while a brother neighbour
Sings a cutler's destiny. . . ."¹

*Mobility of
labour.*

Mobility of labour was a marked feature of the iron industry, and it was the necessary outcome of the dependence upon charcoal and water-power. Workmen were drawn from every part of the kingdom, and agents were sent out to seek them. The men at Crowley's works in the North of England came from the South, and some even from the Continent ; and the furnaces and forges at Furness were built and worked by men from Ireland and Staffordshire². " The place is healthy and cheap and very pleasant ", runs a letter to a prospective employee, " and the Company are good kind masters, especially to a sober man. . . . If you have no family you will be better liked, because at present they have no spare house upon the works. . . . Come as soon as you please, you will be well used and the Company will pay you, when you arrive, your reasonable expenses of travelling ". Another letter inquires of a former employer " if you have any objection to our engaging him ". A third letter discloses an employer paying the debt of a workman, who had become indebted to his former master, with the comment : " It appears you have suffered him to incur or rather led the poor fellow headlong into a load of debt, and immediately upon a reverse of circumstances threaten to divest him of his liberty if every shilling is not instantly discharged—a brilliant display of humanity " ³.

*The ' free
miners '.*

Not all workmen in the different branches of the iron industry were wage-earners. To begin with, there was a group of ' free miners ' who extracted ore and coal in the

¹ ' The Jovial Cutlers ', quoted Lloyd, *The Cutlery Trades*, 181. The singer's wife breaks in with the reminder that the master is waiting for the work.

² For Crowley, see *infra*, p. 179 ; for Furness, see Fell, *op. cit.* 286. See *infra*, Appendix, p. 494, No. 1.

³ The letters, dated 1779, and later, are printed in Fell, *op. cit.* 290-293. For loans to workers, see also Ashton, *An Eighteenth-Century Industrialist*, 31-36.

Forest of Dean. Their 'customs and franchises', based on immemorial usage, are embodied in 'The Book of Dennis'¹. Every free miner enjoyed the privilege, with the approval of the King's gaveller, to dig for iron ore or coal where he pleased within the bounds of the Forest, subject to the payment of one-third of the profits to the King, and provided he did not exceed the space within which he could cast the rubbish away from him. The free miners were organized on the lines of a craft gild. They alone, with their descendants 'born and abiding within the bounds of the Forest', and their apprentices if they had any, enjoyed the liberties of the Forest²; and they were governed by the regulations of the mine court. These regulations forbade under-bidding, fixed the price at which the minerals were to be sold, and prohibited miners from owning a smithy³. Other groups of free miners, enjoying the right to discover and work a mine, existed in the lead mines of Derbyshire, the Mendip Hills (Somerset) and Alston (Cumberland), and in the tin mines of Cornwall and Devon; but here the organization was sometimes of a looser character. Thus at the Mendip lead mines any man, 'whatsoever he be', was at liberty "to pick within the Forest of Mendip and to break the ground where and in what place he shall think best himself for his own behoof and profit". A tenth part of the ore went to the lord of the soil, whose consent was nominally necessary, though he "cannot by the old custom of the occupation deny him that doth so ask licence"⁴. Yet even among the free miners capitalist influences made themselves felt with the rise of a wealthy class. In the seventeenth century many of the independent lead miners of Derbyshire ceased to own, or partly own, the mines they worked, and became wage-earners employed by rich owners⁵.

¹ Printed in Nicholls, *Iron Making in the Forest of Dean*, 71 seq.

² An invasion of their privileges in 1631 caused an outbreak: *Hist. MSS. Comm. Cowper*, i. 430.

³ The price regulations were abolished in 1687, but reappeared in 1741. "Strict custom required that the mines be worked by companies of four persons called 'verns or partners'": *Victoria County History, Gloucestershire*, ii. 223-224, 228-229.

⁴ *Ibid. Somerset*, ii. 367; Gough, *The Mines of Mendip*, 69 seq.; Gough, *Mendip Mining Laws* (Somerset Record Society Publications, xlv.). For the liberties enjoyed by the miners of Alston, see *Victoria County History, Cumberland*, ii. 339 seq. For Derbyshire, see *House of Lords MSS.* 1695-1697, pp. 383 seq.; *Victoria County History, Derbyshire*, ii. 326 seq.

⁵ *Victoria County History, Derbyshire*, ii. 332, 337.

*The tin
mines of
Cornwall
and
Devon.*

The Cornish and Devon tin mines furnish the classic example of the free mining system. The privileges enjoyed by the tanners, as confirmed in the charter of John (1201), consisted in "digging tin and turfs for smelting it at all times, freely and peaceably and without hindrance from any man, everywhere in moors and in the fees of bishops, abbots and counts . . . just as by ancient usage they have been wont to do" ¹. This right of searching and digging for tin was known as 'bounding'. The organization of the tin-mining industry developed on several lines. Small undertakings were worked single-handed by an independent prospector, but larger concerns were managed by a group of partners. These partnerships were of three kinds. In the primitive form the miners 'worked their own rights'; in the 'cost agreement' some of the members paid a money contribution, or provided a hired substitute, in place of their own personal labour; in the 'tribute' the association handed over a part of the mine to a group of workers in return for a share in the product. Finally, the mines might be leased by a capitalist employing hired labour ². The existence of capitalism in the industry at an early date is seen in 'Abraham the Tinner', who in the middle of the fourteenth century employed over three hundred men, women and children ³. The tanners were in a depressed condition largely because they were only allowed to sell their tin at two periods in the year, so that they became dependent upon middlemen, or tin dealers, to whom they pledged their tin at a stipulated price in return for advances of money ⁴. According to a writer in 1697, each tinner had five pounds in the year to maintain himself and his family for his labour; one-fifth of the value of the product went to the lord of the soil; the Cornish factors ground down the tanners to gratify the London pewterers and merchants, and to increase their com-

¹ Lewis, *The Stannaries*, 36, 158; *Hist. MSS. Comm.* iv. 88. The extent of the privilege differed in the two counties. The tanners were organized in two corporations, the Stannaries of Cornwall, and the Stannaries of Devon, with their own laws and courts.

² Lewis, *op. cit.* 178, 188, 190.

³ *Ibid.* 189. For the quantities of tin produced 1156-1837, see *ibid.* Appendix J.

⁴ *Ibid.* 210 seq.

missions ; and the Cornish lawyers created lawsuits on the pretence of maintaining the privileges of the tanners, " when in truth it is in the main a contrivance to make themselves masters of the mines and the profits thereof " ¹.

In addition to the free miners, another grade of small independent producers survived among the cutlers who fashioned the steel into finished products. The ' little master ', working on his own material with his own tools, existed side by side with the substantial master cutler employing wage-labour. Anyone who had served an apprenticeship was entitled to set up in the trade, and ' strike his own mark ' ; but many, " who have very small means of maintenance of living other than by their hard and daily labour as workmen to the cutlers ", appear to have remained in the condition of lifelong journeymen working for hire ². Even the small master found difficulty in maintaining his independence. His economic status deteriorated with the rise of a class of factors, who originally served as commission agents for the London merchants, and by the beginning of the eighteenth century had come to supply the working cutler with the materials and to take off his hands the finished articles ³. Thus in the cutlery trades, as in the textile industries, the guild stage of organization was gradually superseded by the domestic stage in which the ownership of the material was transferred from the manual producer to the capitalist employer. The small master continued, however, to survive as an independent producer so long as he was able to obtain credit for materials. To safeguard his independence, the Cutlers' Company ⁴ in 1680 established a warehouse in which he could deposit his wares as security for advances made in money or materials. The goods were sold to customers, the depositors pledging themselves to supply their wares only to the storehouse. This experiment,

*Survival of
the small
master.*

¹ *Aggravii Venetiani* (1697), part ii. 4, 7-9.

² Lloyd, *The Cutlery Trades*, 139, 150, 173, 191.

³ *Statutes*, iv. part ii. 1242 (Act incorporating the Cutlers' Company) ; Lloyd, *op. cit.* 194, 235-236, 328.

⁴ For the Cutlers' Company, see *infra*, vol. iii. 334. For the control of the trade, see Hunter, *The History and Topography of Sheffield* (ed. 1819), 118 *seq.*

which anticipated in some of its features the 'labour exchanges' or 'bazaars' of the early co-operative societies, lasted eight years: it was revived in 1734, but henceforth it was mainly concerned with loans to working masters¹. Although the economic status of a working master might seem superior to that of a wage-earner, yet—as in the case of all independent producers with limited resources—his position was extremely unstable. He was unable to hold out against a falling market and flung his wares on to it at any price, thus aggravating the evils of the depression. At the same time he made it difficult for the wage-earners in the industry to maintain their standard of life when their employers were undersold by impoverished competitors, working under different conditions and compelled by lack of staying power to dispose of their products at inferior rates². Apart from the small master dragging out a precarious existence, the cutlery trades were conducted on capitalist lines. As in most branches of the textile industries, the employer's material was worked up on a piece-wage basis in the homes of the workers, who possessed their instruments of production and served several employers³. Indications of the capitalist character of the industry are furnished by complaints in the seventeenth century against truck wages and by the growth of trade unionism among cutlery workers⁴.

Birming-
ham.

The chief centres of the cutlery trades were Sheffield and London⁵, the former being famed in the days of Chaucer for its knives. Birmingham, also, made knives. Leland in the sixteenth century remarked that "there be many smiths in the town that use to make knives and all manner of cutting tools . . . and a great many nailers"⁶; and Camden spoke of Birmingham as "swarming with inhabitants and echoing with the noise of anvils, for here are great number of smiths"⁷.

¹ This lasted until about the end of the century: Lloyd, *op. cit.* 117-118.

² *Ibid.* 193-196.

³ *Ibid.* 209.

⁴ *Ibid.* 215-216, 235 *seq.* Serious rioting was caused by truck wages at Sheffield in 1756.

⁵ Defoe, *A Plan of the English Commerce* (ed. 1728), 290.

⁶ Leland, *Itinerary* (ed. Toulmin Smith), ii, 97.

⁷ Camden, *Britannia* (ed. Gibson, 1695), 505.

Its growth ¹ was due partly to the proximity of iron and coal mines in Staffordshire, and partly to its pursuit of a policy of 'free trade', which encouraged the settlement of strangers by its immunity from industrial restrictions ². In the eighteenth century it was named by Burke 'the toy-shop of Europe'—a tribute to the variety of small wares in iron and steel produced here ³. Davenant comments, in particular, on 'the skill and neatness' shown in making locks, keys, hinges 'and other curiosities of this kind', which were in great demand abroad ⁴. Birmingham was not the only Midland town engaged in ironmongery: the Midland counties generally were described in 1737 as the seat of 'the greatest manufactory of iron-ware in this kingdom' ⁵. Their industrial development was due to the facilities for obtaining their materials—bar iron ⁶ and coal—and for sending away the finished products down the Severn. Nail-making, which was the principal branch of the industry, came to be concentrated around Dudley and Stourbridge. The work was carried on in the nail-maker's home: he was given a quantity of iron and, with the aid of his wife and children, manufactured hand-made nails which he returned to the employer. His hours were long, and his remuneration scanty in the extreme, wages being fixed at meetings of the nailmasters ⁷. In all branches of the industry truck wages were common ⁸.

The general features which characterized the iron and steel industries were reproduced in the copper and brass Copper and brass.

¹ In 1737 it was estimated that 45,000 hands were employed in manufacturing iron in Birmingham and ten miles around: *House of Commons Journals*, xxii. 854.

² Timmins, *Industrial History of Birmingham and the Midland Hard-ware District*, 211.

³ *Ibid.* 216. "They trade all over Europe", remarked a traveller in 1769: *Hist. MSS. Comm. Verulam*, 274.

⁴ *Works* (ed. 1771), ii. 276.

⁵ *House of Commons Journals*, xxii. 776. Another centre of the metal trades was in the North: *infra*, p. 179.

⁶ The iron of the Forest of Dean was specially suitable for small wares because of its 'gentle, pliable, soft nature': Yarranton, *England's Improvement* (1677), 57.

⁷ Timmins, *Industrial History of Birmingham and the Midland Hard-ware District*, 110-111, 209. In 1713 it was said that they earned only 3s. per week (Hewins, *English Trade and Finance*, 17), but in 1776 their wages were from 7s. to 10s.: *Annals of Agriculture*, iv. 157.

⁸ Yarranton, *England's Improvement* (1677), 151, 169.

industries. The latter present the most conspicuous example of a new industry established under the protection of a patent. Copper-mining was carried on intermittently in England from early times, but the amount was negligible; while no brass could be made here until the discovery of calamine, the ore of zinc, which was mixed with copper¹. As early as the fourteenth century the Government recognized that foreign skill was needed to introduce into this country the art of making copper and brass. Edward III. invited a body of German miners to instruct his subjects in copper-mining²; and in 1478 the mines of gold, silver, copper and lead in Northumberland, Cumberland and Westmorland were granted to a colony of German and Dutch miners for a period of ten years³. Henry VIII., who needed copper for ordnance, made overtures to German capitalists⁴, but it was not until the reign of Elizabeth that German capital and German skill embarked upon the enterprise of building up in England a native industry of copper and brass. Daniel Höchstetter, a partner in the Augsburg firm of Haug & Co. which worked mines in the Tyrol, was given a patent in 1564, in conjunction with Thurland who represented English financial interests, to search for copper; and the following year a patent was given to another group of capitalists, who brought over Shutz, manager of a zinc-mining company in Saxony—"such a jewel as all Germany hath not his like"⁵—to discover calamine, make brass, and introduce German methods of wire-drawing and battery⁶. In 1568 the first body of patentees was formally incorporated as the Mines Royal, which had the sole right to mine copper in the principal copper-bearing counties; and the second as the Mineral and Battery Works⁷, which had the sole right to make brass, and produce wire and metal sheets

¹ Hamilton, *The English Brass and Copper Industries to 1800*, 1-2.

² Smiles, *The Huguenots*, 458.

³ *Victoria County History, Cumberland*, ii. 343.

⁴ Hamilton, *op. cit.* 4, 6.

⁵ *Tudor Economic Documents* (ed. Tawney and Power), i. 244. Calamine was discovered in Somerset: *ibid.* i. 246.

⁶ For 'battery', see *infra*, p. 176.

⁷ The charters are printed in Carr, *Select Charters of Trading Companies*, 4-20. See also Stringer, *Opera Mineralia Explicata* (1713), *passim*.

by a new process using water-power in place of manual labour.

The large sums expended in bringing over expert workmen, and providing the equipment, drained the resources of the German firm which was obliged to raise loans in Antwerp for the conduct of the enterprise, and eventually withdrew from it altogether ¹. The unprofitable nature of the investment is indicated by the fact that for over twenty years there was no return on the capital sunk in the Mines Royal ². The Höchstetter family continued to remain in charge of the northern mines, and under James I. the Privy Council claimed that the country "is now furnished with copper within itself for the provision of the office of the ordnance and other necessary uses, whereof heretofore his majesty's predecessors could not be supplied but by the favour of foreign princes, and that oftentimes upon unequal conditions" ³. Actually, however, copper was still imported in large quantities; while the company of Mines Royal ceased direct mining operations and instead levied licence money upon other groups which worked the mines on a lease ⁴. The Mineral and Battery Works erected wire works near Tintern Abbey in Monmouthshire where wire was produced for wool-cards used in carding wool, but neglected other sides of its business—the making of brass and brass goods. The complaint was made in 1635 that foreign merchants resorted to 'dumping' their wares in England at low prices in order to suppress native competition, "and beat the English out of this trade" ⁵; and they also engrossed Swedish copper in order to deprive English brass manufacturers of their raw material. The Civil War destroyed the smelting works at Keswick where four thousand workers are said to have been employed ⁶, and most of the German miners were killed ⁷.

The Mines Royal, and the Mineral and Battery Works.

¹ Hamilton, *op. cit.* 23-24. Extracts from the account books of the German miners at Keswick are printed in Collingwood, *Elizabethan Keswick*. See *infra*, Appendix, p. 494, No. 2.

² Scott, *Joint-Stock Companies*, ii. 395.

³ *Acts of the Privy Council*, 1613-1614, p. 533.

⁴ Carr, *Select Charters of Trading Companies*, p. xcvi; Price, *The English Patents of Monopoly*, 52.

⁵ *State Papers Domestic*, 1634-1635, pp. 471-472. Cf. *supra*, p. 162.

⁶ Stringer, *Opera Mineralia Explicata* (1713), 247.

⁷ *Victoria County History, Cumberland*, ii. 344.

After the Restoration the two companies united ¹, since the product of the copper-mining company was the raw material of the brass-making company, but in 1689 an Act of Parliament threw open the industry of copper-mining so that the United Company was deprived of its former monopoly ². The original grant to the companies was intended to promote the introduction of a new industry, but the retention of their privileges long after the companies actively prosecuted the industry served only to discourage fresh undertakings.

*Capitalist
organiza-
tion.*

The organization of the copper and brass industries exhibits the features common to other branches of the metal trades. They were constituted on a capitalist basis, and the domestic and factory systems existed side by side. There are five processes in the manufacture of copper and brass wares—the mining of copper ore and calamine; smelting; the making of brass; the ‘battery’ (flattening brass ingots into sheets of metal) and the drawing of wire; and the manufacture of copper and brass into wrought articles by copper-smiths, braziers, brassfounders, pin-makers, lock-makers, button-makers, etc. ³. The first four processes, concerned with the production of the raw material, were conducted on a ‘factory’ basis, that is, a large body of workers were concentrated at the employer’s ‘works’; while the fifth process, the working up of the raw material into finished goods, was mainly on a domestic basis. In the former the extent of fixed capital required for mines, buildings and equipment was beyond the resources of a single individual; and these industries provide the earliest examples of the formation of joint-stock companies to carry on an industrial enterprise ⁴. The Mines Royal and the Mineral and Battery Works controlled between them the production of the ore, the making of brass, and its manufacture by water-power into sheets and wire. On the eve of the Civil War the smelting works at Keswick gave employment to four thousand workers ⁵. After the two companies were deprived of their monopoly

¹ They were placed under a single control in 1663, and completely united in 1710: Scott, *Joint-Stock Companies*, II. 403-405.

² *Statutes*, vi. 95.

³ Hamilton, *op. cit.* 140-141.

⁴ Cf. *supra*, p. 9.

⁵ According to Stringer: *supra*, p. 175, note 6.

at the Revolution, other joint-stock companies came into existence. One of them, the Warmley Company, had in 1767 a capital of £200,000 and employed about eight hundred people chiefly in the manufacture of brass; in the same year the Mines Royal and the Mineral and Battery Works were credited with a capital of £150,000 each; and other companies also traded with large capitals¹. In the final stage, the making of finished commodities, the amount of capital was usually small. Many manufacturers worked with a capital of less than one hundred pounds, they employed only a few wage-earners, and sometimes relied entirely on the labour of their own families; yet even here the large entrepreneur, with six or seven thousand pounds, was not unknown².

The capitalist character of the copper and brass industries is attested by two other features. One was the minute specialization of processes. Adam Smith selected pin-making as the classic example of the division of labour. "One man draws out the wire; another straightens it; a third cuts it; a fourth points it; a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on is a peculiar business; to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations, which in some manufactories are all performed by distinct hands"³. In a Birmingham factory the making of buttons was divided into seventy distinct operations⁴. The second noteworthy feature was the integration of industry. The union of the Mines Royal and the Mineral and Battery Works created a vertical combination, which produced its own raw material and worked it up into finished goods; and the Anglesey companies in the latter part of the eighteenth century owned copper mines, smelting works, rolling mills, manufacturing establishments, and ships for transportation of materials. This degree of integration was exceptional, but

Specialization and integration.

¹ Hamilton, *op. cit.* 248, 250.

² *Ibid.* 271 note, 273.

³ *The Wealth of Nations* (ed. Cannan), i. 6.

⁴ 1755: Hamilton, *op. cit.* 272.

it was common to find copper-smelting, brass-making, battery, wire-drawing and certain kinds of finished products carried on by the same firm ¹. The small number of companies engaged in these operations enabled price agreements to be made to eliminate competition in the buying of copper ore and in the sale of their products. Thus when the East India Company made purchases of copper, the companies fixed the price among themselves and the amount to be offered by each company on the basis of its stocks ².

The establishment of Ambrose Crowley.

We may conclude our account of industrial society in the Age of Mercantilism with a description of an establishment in the North of England owned by Ambrose Crowley, the greatest ironmaster of the seventeenth century ³. This establishment was the most remarkable among those of which any record is preserved prior to the 'Industrial Revolution'. The iron works, which Crowley erected at Swalwell and Winlaton in the county of Durham, exhibit a noteworthy example of capitalist enterprise and indicate the existence, even at this early date, of entrepreneurs endowed with a talent for organization, who found scope in the economic system of their day for the exercise of their special gifts. They also disclose a type of employer which was to find its most signal expression in Robert Owen. The iron 'mills' of Ambrose Crowley were an anticipation in spirit, and even in practical details, of the textile mills at New Lanark. There is the same evidence of quixotic benevolence combined with autocratic control of the lives of the workmen. The Crowley iron works still retained some of their characteristic features in the early nineteenth century; and if they were known to Owen, they may prove to be an unsuspected source from which the Father of English Socialism derived inspiration.

Crowley's career.

Ambrose Crowley, who began his career as a working blacksmith and ended it as a knight, an alderman and sheriff of London, and a member of Parliament, was an ironmonger of Greenwich, who in 1682 erected a factory at Sunderland

¹ Hamilton, *op. cit.* 94-95, 252.

² *Ibid.* 144, 158, 205.

³ He is not mentioned in *The Dictionary of National Biography*.

for making iron wares. He drew his supply of labour partly from the South of England and partly from abroad, and the opposition which the presence of foreign workmen aroused induced him in 1690 to transfer the works to Swalwell and Winlaton. Here he built up an enterprise which employed several hundred men, and when he died in 1713 he was worth a fortune of £200,000; after his death the business was managed on similar principles by his successor¹. The rules and orders of the Crowley establishment are embodied in 'The Law Book'², the work of Ambrose Crowley and his son John. They number over one hundred³; and their minute regulations for the conduct of the business and the behaviour of the workmen enshrine a whole social and industrial code. The organization of the firm was composite in character⁴, being based partly on the factory system and partly on the domestic system; and the workmen, therefore, fall into two categories accordingly as they were employed in Crowley's own workshops or served in the capacity of 'out-workmen'. The factory workers dwelt in what was known as the 'Square'—the use of the term recalls a prominent feature of Owen's social system, the 'Parallelogram'⁵. The Square was under the control of a warden, whose duty it was to ring the bell in the morning at five "for beginning to work, at eight o'clock for breakfast, at half an hour after for work again, at twelve o'clock for dinner, at one to work, and at eight at night to ring for leaving work"⁶. The gate of the Square was to be shut and locked before dark, and the warden was instructed to notice the visits of strangers and to 'learn upon what occasion'. The residents in the Square were required norm-

¹ *Victoria County History, Durham*, ii. 281-287; Young, "Works Organization in the Seventeenth Century", in *Transactions of the Newcomen Society*, iv. 73 seq. Some of his men came from Liège. The new site was also more advantageous, and this was probably another reason for the removal from Sunderland.

² In the British Museum (Additional MS. 34555).

³ In the Index to The Law Book ('A Table of Laws and Orders, etc.', f. 5 a) there is a reference to an Order No. 117, but in the Book itself the last Order is No. 113 (f. 158 a). In the subject index at the end of the Book the last Order mentioned is No. 114, 'Doctor and Chirurgeon' (which is also the subject of No. 113).

⁴ All operations were carried on from the making of bar iron to the manufacture of finished products.

⁵ *The Life of Robert Owen. By Himself* (ed. 1857-1858), vol. i. A. A Supplementary Appendix, 284.

⁶ The Law Book, No. 40, § 8.

ally to be home by nine on Sundays and ten on other days ; and as a safeguard against pilfering, ' hawkers, tinkers and pedlars ' were excluded¹. The ' out-workmen ', who worked at home, were also brought under control. They could obtain material on credit at the same price as Crowley's other workmen, and were at liberty to dispose of their wares to whom they pleased : but these privileges were subject to the condition that their material was bought from the firm².

*The
welfare
of the
workmen.*

The regulations in general show regard for the welfare of the workmen. Money was advanced to those who needed assistance during the first week, though apart from this loans to workmen were forbidden except in cases of distress³. It was the duty of the ' surveyor ' to recommend newcomers " to the fittest place to work, live or board in ", and " to instruct them in all things where he hath reason to believe they are ignorant " ⁴. The surveyor not only had charge of newcomers, he was also entrusted with everything " relating to the well-making and buying of ware from the iron till completed and delivered ", in order that goods might be made " saleable, serviceable, and in every respect fit for their intended use " ⁵. Crowley's consideration for the self-respect of his workmen is seen in the instruction given to the surveyor to be " very prudent and cautious, and always have a great regard to what the workmen say, and especially in hearing their allegations and reasons where they are rational ; and where he is not very certain rather let three faults pass without a rebuke than find one where there is none, for that will render his judgment weak " ⁶. Another official was the monitor, whose function it was to keep a time register : " to the end I may have an honest day's work as I honestly pay them their wages ". The hours of labour were from five A.M. to eight P.M. with one and a half hours for meals, that is, thirteen and a half hours on six days in the week⁷.

In their provision for the poor and sick the Crowleys foreshadowed the ' model employer ', and their system an-

¹ The Law Book, No. 40, § 22-25, 46, 49.

² *Ibid.* No. 86, § 4.

³ *Ibid.* No. 17, § 9, 17 ; No. 10, § 1-3, 6.

⁴ *Ibid.* No. 17, § 6, 8.

⁵ *Ibid.* No. 45, Preamble, and § 8.

⁶ *Ibid.* No. 45, § 7.

⁷ *Ibid.* No. 103, Preamble, and § 14.

anticipated the leading ideas of 'social reform' in the nineteenth century. "Taking into my consideration the deplorable state of my honest and laborious workmen and their families, when visited with sickness and other bodily infirmities; who for want of proper and speedy relief have languished for a longer time under their maladies than otherwise they would. . . . Therefore did out of mere compassion . . . send down a person who is an able surgeon, and one who is also well skilled in physic, with all proper medicines and drugs, at my own proper cost and charge" ¹. A doctor was made a member of the staff, and he was required to attend daily at the factory upon the officials, the workmen, and their families ². In addition a fund was instituted for relieving "such of my workmen and their families as may be by sickness or other means reduced to that poverty as not to be able to support themselves without some assistance" ³. The fund was supported by contributions from the officials and workmen, who were assessed at fivepence, and later ninepence, in the pound, while the firm also contributed ⁴. A curious feature of the scheme was that the 'poor's stock' ran "all hazards of stocks trusted to workmen" ⁵, the explanation being that the firm made a contribution to the fund for the purpose. Thus it served not only as an insurance against sickness and poverty, but also as an insurance against losses incurred by the firm as a result of defalcation on the part of the workmen. The provision made for the education of the workmen's children was a signal feature of the establishment ⁶, and affords the closest parallel with Owen's factory at New Lanark a century later ⁷. The 'clerk for the poor' served as schoolmaster, and the hours of school were from eight to twelve and one to four in winter, and six to eleven and one to five in summer, on all days in the week except Sundays and the appointed holidays ⁸. "He shall

*Provision
for the poor
and sick.*

¹ The Law Book, No. 113, Preamble.

² *Ibid.* No. 113, § 1-15.

³ *Ibid.* No. 97, Preamble.

⁴ *Ibid.* No. 8, § 7-9. See *infra*, Appendix, p. 494, No. 3.

⁵ The Law Book, No. 51, Preamble.

⁶ Other examples of employers providing a school are the alum works at Kirk Leatham (*State Papers Domestic*, 1633-1634, p. 545; 1634-1635, p. 369), and the iron works of Reynolds (*supra*, p. 167).

⁷ *The Life of Robert Owen*. By Himself (ed. 1920), 186 seq.

⁸ The Law Book, No. 97, § 2.

not", it was ordered, "upon any account of races, cock-fightings, rope-dancers or stage-players dismiss his scholars or absent himself" ¹; and when required he was to produce specimens of the work done by the children under his care, "and lay the same before the governors that his conduct may the better be judged of" ². He was bidden to "carry it with an even hand to all his scholars and not despise any for their poverty, but to encourage ingenuity and virtue" ³.

*Appoint-
ment of
Arbitrators.*

The regulations dealing with 'good government' covered a wide range. They forbid a workman to strike an official or an official to strike a workman; they prohibit 'laying wagers in the Square', 'clubbing to drink', cursing and swearing, morning drinking, the sale of drink on the establishment, smoking in warehouses, shops or offices, and many other like offences ⁴. In order that friction in working these and similar regulations might be minimized, Crowley instituted a species of self-government, which marked perhaps the first step towards devolution of control in industry. "My people at Winlaton had for some time suffered to very great degree by the ill qualities of some clerks and reckoning officers, to prevent which I did frame—and it hath been my continual thought to be framing—such good and wholesome rules and orders for them to be governed by, as would make them quiet and easy amongst themselves and a happy and flourishing people amongst their neighbours. The better to see such good rules ordered and observed, have thought fit to commit the administration of the same to five persons to be termed Arbitrators, that in my absence shall hear and determine all petty differences that might arise amongst my workmen and to whom they may appeal in case of any aggrievance, and to have power to inflict the penalties upon the offenders and disturbers of our peace" ⁵. The five Arbitrators comprised the chaplain, two nominees of the employer, and two chosen by the men—one by the nailers and the other by the 'od-waremen' ⁶. A rigorous standard of conduct was demanded of the Arbitrators, who were evidently intended to serve as a

¹ The Law Book, No. 97, § 3.

² *Ibid.* No. 97, § 10.

³ *Ibid.* No. 49, Preamble.

⁴ *Ibid.* No. 97, § 6.

⁵ *Ibid.* Nos. 35, 53, and 85.

⁶ *Ibid.* No. 49, § 1-3.

pattern to the whole colony. In addition to the Arbitrators there were a council at Swalwell and a committee at Winlaton acting in a subordinate capacity to the council, whose duty it was, in the absence of Crowley himself, to 'consider of all matters needful about the work' and carry out the directions given to them by the owner ¹.

¹ *Ibid.* No. 44.

CHAPTER II

FOREIGN TRADE

*Importance
of foreign
trade.*

IN the sixteenth century the foreign trade of England was already assuming a world-wide character¹. Her exports penetrated into nearly every part of the globe : her imports comprised the products of Europe, Asia, Africa and America². A large portion of her population was now dependent for its livelihood upon foreign markets, and at the first rumour of war or interruption of trade found itself deprived of employment³. Her commercial organization was highly developed on the basis of companies, regulated and joint-stock, while the working of the credit system and the foreign exchanges reproduced in its essentials the mechanism of modern business life. In short the economic destiny of this country was closely interwoven with that of other countries, and trade was not only national but international⁴.

*Expansion
in the
sixteenth
century.*

The foundations of an extensive foreign trade had been laid in the Middle Ages, when there existed two important companies engaged in oversea trade, the Merchant Staplers and the Merchant Adventurers ; and direct trading connexions had been established with most continental markets. But in the sixteenth century oversea trade grew considerably in volume, and several factors contributed to its expansion. The discovery of America broadened men's horizons and afforded a fresh outlet for their energies. It did not, indeed, create the spirit of adventure which was deeply ingrained

¹ Cf. the view that down to the nineteenth century foreign trade was unimportant. "No ships to carry our superfluous goods, no foreign demand for them, no admission to other countries" : Bowley, *England's Foreign Trade in the Nineteenth Century* (ed. 1922), 5.

² *Infra*, pp. 186 *seq.*

³ *Infra*, vol. iii. 294 *seq.*

⁴ For the economic factor in foreign policy, see *supra*, Introduction, pp. li-liv.

in the English character, but diverted it into more fruitful channels. Instead of the energies and resources of the nation being frittered away in futile schemes of aggrandizement on the Continent, they were now turned in the direction of commerce and colonization. Yet behind all the Elizabethan schemes of discovery, colonization and commercial expansion, the driving force was the sense of nationalism born in a large measure of the struggle with Spain. At this period the Spanish monarchy bestrode the world like a colossus, dominating alike the Old World and the New, ruling or controlling the greater part of Western Europe, South America and the West Indies, and through its conquest of Portugal embracing even India in its sphere of influence. The domination of Spain seemed to menace not only the religious liberties of Englishmen but also their economic existence. It was the general belief that England could be brought to her knees by the expedient of cutting off her trade. The writer of a letter to the Pope in 1569 remarked : " The more part of this nation lives by the merchandise that goes out of and comes into the realm, and inability to export the one or manipulate the other will certainly cause an insurrection " ¹. At the same time the Spanish ambassador in England informed his master that " whenever Flemish matters are calm, and your majesty and the French King choose to stop English commerce, without even drawing the sword, they will be obliged to adopt the Catholic religion " ². By hampering our trade, as Napoleon did over two centuries later, Philip II. was able to inflict great distress upon the country ³. " The Spaniard ", wrote Harborne ⁴ in 1588, " knowing the welfare of our country to depend very much on the vent of our native commodities, not only forbade the use and bringing into any part of his dominions, but also then practised with the Emperor and his Hanse towns and no less with the Easterly countries to the like effect ", thereby to compel the English merchant " to surcease his trade ", and reduce " the great number of poor people (thereby set

¹ *State Papers Rome*, 1558-1571, p. 303.

² *State Papers Spanish*, 1568-1579, p. 85 (1568).

³ *Infra*, vol. iii. 303.

⁴ For Harborne, see *infra*, p. 336.

to work) unemployed to hard extremities" ¹. To preserve political independence it was also necessary to preserve economic independence, and the efforts of the merchants of London to create new channels of commercial intercourse ² contributed not less to the security of England than the exploits of Elizabethan seamen and the diplomacy of Elizabethan statesmen. Another element in the situation was the antagonism of the Hanseatic League, which forced English traders to establish trading connexions with countries hitherto monopolized by the Hansards ³. In the middle of the sixteenth century two companies alone existed: before its close six new ones were established: and early in the next century the Venetian ambassador wrote home that "the English trade in all parts of the world with large capital" ⁴.

An Elizabethan survey of foreign trade.

An Elizabethan merchant has left on record an account of English foreign trade near the end of the sixteenth century ⁵. It was written for the guidance of merchants to instruct them in the 'time and wares' suitable for different trades, and it illustrates alike the wide range of England's markets abroad, as also the variety of her exports and imports. Germany and the Low Countries took from us wool, cloth and beer; they sent us 'small wares for grocers' and hops, linen, brass and copper. The exports to France comprised wheat, rye, cloth, tin, lead and skins; the imports were wines, salt, pitch, tar, woad, linen, canvas 'and small wares for mercers'. Spain was the market for cloth, linen, hides, lead, tin and copper—"there must no coarse wares be brought hither"; and she supplied us with wines, oil, soap, salt, sword-blades, and 'iron of the best sort'. To Portugal went wheat, butter, cheese, cloth, lead, tin, hides; from her came all kinds of spices brought from the East Indies, calicoes, oranges, lemons, oil, salt, soap. For the Mediterranean the 'best merchandise' was cloth, lead, hides,

¹ *Transactions of the Royal Historical Society*, 4th ser., v. 21.

² *Infra*, pp. 270, 336.

³ *Infra*, p. 316.

⁴ *State Papers Venetian*, 1617-1619, p. 415 (1618).

⁵ Printed in *The English Historical Review*, xxix. 515 seq.; Gras, *The Evolution of the English Corn Market*, Appendix J; *Tudor Economic Documents* (ed. Tawney and Power), iii. 199.

herrings, wrought tin—"your cloth must be the finest you can get, for they esteem it before any velvet or other silks"; thence we received silk, cotton, currants, alum, oil, and 'the finest earthen dishes called porcelain'. The Baltic countries furnished us with ropes, flax, hemp, pitch, tar, tallow, wax, and all kinds of furs, "and also great store of wheat and rye if it be scant in England"; and we provided them with coarse cloth, 'corrupt' wines, and salt. Russia imported 'corrupt' wines, salt, coarse cloth; and she exported wax, skins and furs. To the Azores we sent wheat, cloth and skins in barter for green woad; and to the Canaries and Madeira herrings, coarse cloth and lead in return for wines and 'the best sugars and the finest made'. Barbary demanded very fine cloth worth thirty pounds the piece, red caps for mariners, armour, ordnance, ash for oars; and we obtained sugar, saltpetre, dates, molasses, carpets, cotton—"but if the Spaniards take you trading with them you die for it". Syria in Asia Minor required "very fine cloths of high prices, of forty or fifty pounds the cloth", tin and lead; and she yielded currants, "cottons which we call in England bombast", and sweet oils. The Spanish West Indies took linen cloth, knives, looking glasses, oil and wines—"but it must be singular good"; and "from this country is great riches to be had of gold and silver and very rich pearls". Finally Brazil, in addition to the commodities enumerated for the West Indies, needed coarse cloth, and sent us coarse sugar and molasses. Two branches of trade omitted from the list, but soon to be included, were India and North America¹.

The comprehensive character of the English exports mentioned in this account is noteworthy. Three of them, cloth, lead and tin, together with the produce of the East and West Indies, were considered in the seventeenth century "the touchstone whereby the wealth of England is tried"². Cloth held pride of place among the commodities of England, and it was our proud boast that we clothed "half of Europe

*The nature
of English
exports.*

¹ For eighteenth-century surveys of foreign trade, see Wood, *A Survey of Trade* (1718), 86 seq.; Gee, *The Trade and Navigation of Great Britain* (ed. 1730), 9 seq.; Campbell, *The London Tradesman* (1747), 289 seq. See *infra*, Appendix, p. 494, No. 4.

² Petty, *Economic Writings*, i. 278.

by our English cloth", making "all Europe almost England's servant" since it wore "our livery"¹. Coke declared in the Parliament of 1621 that cloth accounted for nine parts out of ten of 'all exportable commodities of this Kingdom'². The Commissioners for Trade and Plantations reported in 1702 that they 'judged that near two-thirds' of the exports in 1663 were of woollen manufacture³. More precise figures are available for the eighteenth century: they are official values, but serve to show the relative proportions:

	General Exports.	Exports of Woollen Goods.
1700	£6,477,402 ⁴	£2,989,163 ⁷
1760	14,694,970 ⁶	5,453,172 ⁸
1800	43,152,019 ⁶	6,917,583 ⁹

The degree of specialization attained in the woollen industry even in the sixteenth century is revealed in a list drawn up in 1561. Germany was the market for inferior, and the Low Countries for superior, white cloth: the Baltic lands, Spain, Portugal and Barbary consumed Suffolk cloth and 'western reds and blues': Italy and Hungary used Hampshire kersies and 'northerns': France took Bristol friezes, Welsh cloth and Manchester cottons: Devonshire dozens (white kersies) went, the best to Spain and the Indies, the middle qualities to the Low Countries, and the 'mean sort' to France¹⁰. Long before the 'Industrial Revolution' the repu-

¹ *Hist. MSS. Comm. Various*, ii. 193, 200. This was said in 1657. Similarly: Defoe, *A Plan of the English Commerce* (ed. 1728), 190. "A foolish conceit," commented Smith, *Chronicon Rusticum-Commerciale* (ed. 1747), i. 156, 276.

² *House of Commons Journals*, i. 520, 552. (Probably this included all woollen fabrics.)

³ *House of Lords MSS.*, 1702-1704, p. 69.

⁴ *Ibid.* 1704-1706, p. 107.

⁵ Whitworth, *State of the Trade of Great Britain* (1776), part i. 64 (omitting foreign coin and bullion).

⁶ Great Britain: Macpherson, *Annals of Commerce*, iv. 536. See *infra*, Appendix, p. 494, No. 5.

⁷ *House of Lords MSS.* 1702-1704, p. 69.

⁸ Chalmers, *An Estimate of the Comparative Strength of Britain* (ed. 1782), 143.

⁹ Great Britain: *Parliamentary Papers* (1821), xvii. 227. The woollen exports from 1718-1743 are given in Smith, *Chronicon Rusticum-Commerciale* (ed. 1747), ii. 468.

¹⁰ *State Papers Foreign*, 1560-1561, p. 524. With this may be compared Defoe's list in *The Complete English Tradesman* (ed. 1727), ii. part ii. 61 *seq.*, and in *A Plan of the English Commerce* (ed. 1728), 183 *seq.*

tation of her wares had made England a workshop of the world. "The English through all the world", wrote a correspondent in 1672, "are counted the most ingenious in all manner of manufactures as cloth, serge, woollen stockings, silk stockings, both woven and knitted, . . . all sort of leather, scarlet cloth, gloves, watches, knives, etc." ¹.

The statistics of foreign trade are extremely defective. *Statistics of foreign trade.* The custom-house ledger, showing the total of exports and imports, was not adopted until 1696 ². Moreover the returns, even when available, are based on official, not real values, and so do not afford a correct view of the value of the trade in any year at the current market prices ³. But this defect is an advantage in one respect: it enables comparisons to be made over long periods on the basis of a uniform standard of prices, so that it is possible to measure a rise or fall in the volume of trade without the disturbing factor of changes in the price level. The recorded figures for England are as follows ⁴:

	Exports.	Imports.
1613 . .	£2,487,435	£2,141,151
1622 . .	2,320,436	2,619,315
1663 . .	2,022,812 (London)*	4,016,019 (London)*
1700 . .	6,477,402	5,970,175
1710 . .	6,295,208	4,011,341
1720 . .	6,910,899	6,090,083
1730 . .	8,548,982	7,780,019
1740 . .	8,197,788	6,703,778
1750 . .	12,699,080	7,772,039
1760 . .	14,694,970	9,832,802
1770 . .	14,266,653	12,216,937
1774 . .	15,916,343	13,275,599

* For the outports add 27 per cent.: Davenant, *Works* (ed. 1771), v. 352. The London total for Mich. 1662–Mich. 1663 is given as that of the kingdom in Cunningham, *The Growth of English Industry and Commerce* (ed. 1912), iii. 931. See *infra*, Appendix, p. 494, No. 6.

¹ *Hist. MSS. Comm. Portland*, iii. 327.

² Davenant, *Works* (ed. 1771), v. 349–351.

³ See *infra*, vol. iii. 93.

⁴ The figures for 1613 and 1622 are taken from Misselden, *The Circle of Commerce* (1623), 121–122, 128–129, but the method of calculation is defective. Those for 1663 from Davenant, *Works* (ed. 1771), v. 351, 376. Those for 1700 from *House of Lords MSS.* 1704–1706, p. 107. Those for 1710–1770 from Whitworth, *State of the Trade of Great Britain* (1776)—but I have omitted 'foreign coin and bullion' from Whitworth's total of exports, as they are not included in the imports. Silver and gold, being
[contd.]

Between the Restoration and the Revolution the tonnage of trading ships was doubled¹; and at the end of the seventeenth century England and Holland were coupled together as the two countries which "drive the greatest trades of all European nations"². As to the relation between internal and foreign trade it was estimated at this period that the home market for our own products and manufactures amounted to forty-two millions, or more than six times the extent of the foreign market, and the consumption of foreign products in this country was calculated at four millions, or about one-tenth of the consumption of home products³. But the estimate has only the value of a contemporary guess.

*The
Merchants.*

The direction of foreign trade was centred in the hands of merchants. In the sixteenth century the rapid growth of a merchant class had been deplored as 'a marvellous destruction to the whole realm'⁴, but in the next century they were acclaimed as the 'master workmen'⁵. "The merchant", wrote Mun, "is worthily called the steward of the kingdom's stock"⁶; and another writer affirmed that "all other callings received their vigour, life, strength and increase from the merchant . . . to whose extravagant and hazardous, as well as prudent and cautious, undertaking this nation chiefly owes all its wealth and glory"⁷. The general

imported duty-free, were not included in the importation accounts; whereas silver and gold, when exported, were entered in the exportation accounts: *House of Lords MSS.* 1699-1702, p. 436. Whitworth's figures are those for England (compare, e.g., Whitworth, part i. 64, and Macpherson, *Annals of Commerce*, iii. 339). The figures for 1774 are from Macpherson, *Annals of Commerce*, iii. 564. See also Chalmers, *An Estimate of the Comparative Strength of Britain* (ed. 1782), Table facing p. 37.

¹ *Infra*, vol. iii. 139.

² Pollexfen, *England and East India inconsistent in their Manufactures* (1697), 40. Petty calculated (c. 1676) that England had "about two parts of nine of the trade of the whole commercial world, and about two parts in seven of all the shipping": *Economic Writings*, i. 297.

³ *The British Merchant* (ed. 1721), i. 165-167. Macpherson alludes to a calculation, for which no date is given, that "the home consumption of this country is two-and-thirty times as much as the exports to foreign countries": *Annals of Commerce*, iii. 340, note.

⁴ *Supra*, vol. i. 434.

⁵ *The Merchants New Royal Exchange. A Law Book for English Merchants* (1604).

⁶ *England's Treasure by Foreign Trade* (1664), 3.

⁷ Thomas in *The Harleian Miscellany* (ed. Malham), ix. 411 (1690). Hume eulogized the merchant in his *Essay on Interest*.

hostility towards middlemen was modified in the case of merchants whose profession was considered to 'add to the national riches'¹. The status accorded to the merchant was a recognition of the importance of commerce "as the veins", so James I. termed it, "whereby wealth is imported into our estate"². In the seventeenth century it was a commonplace that "the prosperity and power of this kingdom depend on its trade"³; and Lewes Roberts enumerated the benefits which accrued from trade in enriching the sovereign by customs, setting artisans on work, begetting wealth and its concomitants—strength and security, and furnishing abundance of shipping and mariners⁴. "Trade", exclaimed Roger Coke (1671), "is now become the Lady which in this present age is more courted and celebrated than in any former by all the princes and potentates of the world"⁵.

The merchants were a numerous body. After the Restoration London contained over three thousand merchants⁶ accustomed to assemble in the Royal Exchange, of whom nearly two-thirds⁷, according to a list printed in 1677, were engaged in foreign trade. To these must be added the merchants in the outports, including Bristol, Exeter, Hull, Newcastle and Ipswich. In the early sixteenth century they were said to have 'risen out of poor men's sons'⁸, but later they were recruited from the wealthier sections of the community. Wheeler tells us (1601) that the apprentices taken by the Merchant Adventurers were "for the most part gentlemen's sons or men's children of good means or quality"⁹; and it became the normal practice in England, in contrast with the Continent, for the younger sons of gentlemen 'and

¹ *Britannia Languens* (1680), 27.

² Proclamation of 1622 in the *Acts and Ordinances of the Eastland Company* (ed. Sellers), 151.

³ *Hist. MSS. Comm. Shrine*, 107 (1627).

⁴ Roberts, *The Treasure of Traffike* (1641), 96-102. Cf. Defoe, *A Plan of the English Commerce* (ed. 1728), 19: "Trade sets all the wheels of improvement in motion."

⁵ Coke, *Treatise* (1671), ii. Preface.

⁶ *Hist. MSS. Comm. Le Fleming*, 42 (1666).

⁷ 1786: *The British Merchant* (ed. 1721), i. p. xxxv.

⁸ *Supra*, vol. i. 434.

⁹ Wheeler, *A Treatise of Commerce* (1601), 24. Similarly: *Hist. MSS. Comm. Cowper*, i. 465 (1632); *Newcastle Merchant Adventurers*, i. 236 (1688).

sometimes of the nobility ' to be ' bred ' to trade ' without prejudice to their gentility ' ¹. The drift of younger sons from the country into the towns is shown in the enrolment of apprentices in Newcastle: in the case of the Merchant Adventurers 30 per cent. of the apprentices enrolled in the seventeenth century, and in the case of the Hostmen 40 per cent., were drawn from Durham and the rest came for the most part from other counties ². The profession of a merchant usually involved a compulsory period of training as an apprentice, in which capacity he might acquire " the excellent qualities which are required in a perfect merchant " ³. Unless he enjoyed a right of patrimony he was required to pay a heavy premium. Among the Merchant Adventurers it amounted to two or three hundred pounds ⁴, and merchants of reputation demanded more. " I placed my nephew at a school to learn merchants' accounts ", runs a letter (1683), " but do not think he profits as much as he did here. . . . I hope to place him with Sir Dudley North of whom I hear great commendations, but he expects six hundred pounds, . . . having so many offers ". North was a ' Turkey merchant ', but a Spanish merchant who was approached " asked no more than four hundred pounds " ⁵. Both the number of apprentices and the term of servitude were strictly regulated ⁶. Part of the training, analogous to the ' wanderings ' of continental journeymen, consisted in a period of residence abroad—" There ", wrote Wheeler, " to learn good fashions, and to gain experience and knowledge in trade and the manners of strange nations, thereby the better to know the world betimes " ⁷. The apprentice who went oversea in

¹ Petty, *Economic Writings*, i. 312; *The Present Interest of England Stated. By a Lover of his Country* (1671), 2; Chamberlayne, *Anglia Notitia* (ed. 1700), 298. See *infra*, Appendix, p. 495, No. 1.

² *Newcastle Merchant Adventurers*, ii. p. xxiv.; *Records of the Hostmen*, p. liv.

³ Mun, *England's Treasure by Forraign Trade* (1664), 3-4.

⁴ *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 27; *Hist. MSS. Comm. Le Fleming*, 204 (1687).

⁵ *Hist. MSS. Comm. Various*, ii. 172, 175. " The Turkey merchants take sometimes 5, 6 or 800 l. with a gentleman's son ": *House of Lords MSS.* 1695-1697, p. 43. Even £1000 was paid; *infra*, p. 341. See also *infra*, Appendix, p. 495, No. 2.

⁶ *Infra*, p. 218.

⁷ Wheeler, *A Treatise of Commerce* (1601), 24. In J. B. *The Merchants Aviso* (1607) advice is given to a merchant's servant when sent abroad.

his master's service acted in the capacity of a factor, and the profitable opportunities which this afforded for private trade explain the high premiums, as compared with the more moderate fees paid to merchants who did not send their apprentices abroad ¹. The trust reposed in the factors by their masters was frequently abused. As early as 1590 London merchants stated that the factors whom they had sent out to Genoa in charge of goods to a great value had absconded to Algiers ². In the next century the frauds committed by commercial agents abroad became the burden of incessant complaints ³. English firms also had correspondents on the Continent, who acted for them on commission ⁴.

The economic activities of the Middle Ages had been organized on a corporate basis: agriculture was regulated by the village community and industry by the gilds. The extension of the principle of association to foreign commerce was thus in harmony with the traditional framework of mediaeval society. "It hath ever been", wrote Misselden, "a policy of this State to reduce the trades of merchants of this kingdom into corporations and societies for the advancement of trade by the benefit of order and government" ⁵; and Bacon concluded that "trading in companies is most agreeable to the English nature" ⁶. The peculiar circumstances in which oversea trade was then carried on imposed on merchants the functions which belonged to the province of the State—conciliating the favour of foreign potentates with presents, maintaining embassies, erecting forts, and repressing piracy. The problem of piracy, in particular, was a serious one in the sixteenth and seventeenth centuries ⁷. In the North Sea merchants suffered great losses at the hands of the Dunkirkers. 'Our merciless enemies', the mayor of Hull

*Reasons
for corporate
trading.*

¹ *Hist. MSS. Comm. Various*, ii. 175.

² *Acts of the Privy Council*, 1590, p. 245.

³ *Infra*, p. 345.

⁴ E.g. *The Letter Books of Holroyd and Hill* (ed. Heaton).

⁵ Misselden, *Free Trade* (1622), 67. The phrase 'order and government' occurs frequently: e.g. Rymer, *Foedera*, xvii. 413. Also *infra*, p. 233.

⁶ *The Letters and the Life of Francis Bacon* (ed. Spedding), v. 259.

⁷ Some pirates were English: *Acts of the Privy Council*, 1558-1570, p. 278. *State Papers Foreign*, 1560-1561, p. 557; 1561-1562, pp. 133, 170. Kayll, *The Trades Increase* (1615), 34.

described them: "scarce one bark of five escapeth these cormorants", was the complaint of Exeter in 1600¹. In the South of Europe the Barbary corsairs infested the seas inflicting 'intolerable loss' upon the trader, "whereby Bristol and the western ports that cannot have so great shipping as London are beaten out of trade and fishing"²; and under the Commonwealth a fleet was stationed in the Mediterranean, which was employed in ransoming English prisoners taken by pirates³. The history of the *King David* in the reign of Charles II. throws a vivid light upon the fortunes of a sailing ship in former days. Voyaging from Newfoundland to Tangier she was met off Cape St. Vincent by pirates, and "after three days' resistance boarded by seventy Moors which they killed and drowned, after met with five pirates more, when they were forced to surrender, but some days after were retaken by Captain Kempthorne; but he, meeting with six pirates more, was forced to leave the ship, after which she was retaken by the Turks, and then retaken again by Sir Thomas Allen"⁴.

*Problem
of piracy.*

To meet these dangers three expedients were adopted. One was the provision of convoys by the Government⁵; but even where this was done an organization was needed among the merchants to arrange fixed times of shipping, and to prevent individuals sailing before the appointed times in order to forestall the market. The second was to raise a fleet for the suppression of piracy by a levy on merchants, a species of ship-money; but the jealousy between the London and provincial merchants made this difficult, if not impossible⁶. The third was for each trading company to make provision for armed defence out of its own resources. To

¹ *Hist. MSS. Comm. Salisbury*, x. 121, 187-188 (1600); xii. 637 (1603). *Acts of the Privy Council*, 1578-1580, p. 66; 1587-1588, p. 367. *State Papers Domestic*, Addenda, 1625-1649, p. 360.

² *Sir Thomas Roe's Speech* (1641) in *Harleian Miscellany* (ed. Malham), iv. 460; *Misselden, Free Trade* (1622), 99-100. In 1619 it was stated that 'in a few years past' 300 ships had been taken: *Hist. MSS. Comm. Rye*, 152.

³ *State Papers Domestic*, 1659-1660, p. 254.

⁴ *Acts of the Privy Council*, Colonial Series, 1613-1680, p. xxxvi. See *infra*, Appendix, p. 495, No. 3.

⁵ *Hist. MSS. Comm. Cowper*, i. 379 (1629). *State Papers Domestic*, Addenda, 1625-1649, pp. 223, 232; 1652-1653, p. 230. See also *supra*, p. 155, and *infra*, Appendix, p. 495, No. 4.

⁶ *Acts of the Privy Council*, 1618-1619, pp. 345, 358-359, 388-389; *Hist. MSS. Comm. Rye*, 152-154 (1619). See *infra*, p. 261.

some extent the risks of losses at sea were mitigated by the system of marine insurance, which already existed in the Middle Ages. Its working was explained in a Statute of 1601: "It hath been time out of mind an usage amongst merchants both of this realm and of foreign nations, when they make any great adventure (specially into remote parts) to give some consideration of money to other persons (which commonly are in no small number) to have from them assurance made of their goods, merchandises, ships, and things adventured, or some-part thereof, at such rates and in such sort as the parties assurers and the parties assured can agree, which course of dealing is commonly termed a policy of assurance; by means of which policies of assurance it cometh to pass, upon the loss or perishing of any ship, there followeth not the undoing of any man, but the loss lighteth rather easily upon many than heavily upon few, or rather upon them that adventure not than those that do adventure, whereby all merchants, especially the younger sort, are allured to venture more willingly and more freely" ¹.

The many difficulties attendant on oversea trade help to explain the success with which the companies engaged in foreign commerce asserted their exclusive rights long after individual enterprise had emancipated itself in other directions. For purposes of protection and to preserve 'order and government' in trade, two types of companies were evolved: the regulated and the joint-stock. In the former each member traded on his own capital subject to the common rules laid down by the fellowship to which he belonged; in the latter the members traded as a corporate body, and the profits or losses were distributed among the members as shareholders ². The chief regulated companies were the Merchant Adventurers, the Eastland, the Russia, and the Levant; the joint-stock companies were the East

*Types of
companies.*

¹ *Statutes*, iv. part ii. 978. A proposal was mooted in 1662 to set up an 'insurance company for navigation': *State Papers Domestic*, 1661-1662, p. 446.

² For definitions, see *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By Φιλοπάρις (1681), 30; *The East India Trade a most profitable Trade to the Kingdom* (1677), 15; Child, *A New Discourse of Trade* (4th ed.), chapter iii.

India, the African, and the Hudson's Bay. Some of these companies—the Russia, the Levant, and the African—alternated between the two types ; and, in addition, there existed for a brief period companies such as the French, the Spanish, and the Canary. Each company had a territorial sphere assigned to it, in which no one who was not a member was permitted to trade without the company's sanction : but the membership of the companies was not water-tight, and it was common for merchants to belong to more than one company¹. Of the various companies two stand out pre-eminent—the Merchant Adventurers, the greatest of the regulated companies, and the East India Company, the greatest of the joint-stock companies. Their history in the sections which follow will therefore be traced in more detail.

(1)

THE MERCHANT ADVENTURERS

*An episode
in the
history of
English
commerce.*

The early history of the Merchant Adventurers has been related in a previous chapter². For hundreds of years the seat of their government abroad was in the Netherlands ; but the reign of Elizabeth was destined to witness a momentous departure in the substitution of Germany for the Low Countries as the principal market for the sale of English cloth on the Continent. The significance of the change was heightened by the fact that in settling their mart at Hamburg the Merchant Adventurers were invading the circle of the Hanseatic League³ ; and it marked the climax of the struggle for ascendancy over their ancient rivals when they secured a privileged footing in one of the cities of the League itself. The course of events gathered dramatic interest from the political atmosphere in which it was enveloped : the cross-currents of international politics turned an episode in the history of English commerce into a trial of strength between England and Spain.

¹ *E.g.* Misselden, *The Circle of Commerce* (1623), 65. Other examples are noted *infra*, pp. 256, 273.

² *Supra*, vol. i. 570 *seq.*

³ *Infra*, p. 204.

Elizabeth was hardly seated on the throne when the commercial relations between England and the Netherlands entered upon a new phase. The economic bonds which linked together the two countries were so strong that, as the Merchant Adventurers acknowledged, "one country cannot well live without the other"¹. England found in the Low Countries the best market for the sale of her wool and cloth : the Low Countries drew from England raw materials and semi-manufactured goods, which they worked up at home and afterwards transported 'into all parts of the world'². Yet, in spite of the advantages which each nation derived from commercial intercourse, their relations were marred by chronic friction ; and behind the grievances which formed the subject of their disputes we can discern the fear on both sides of an aggressive economic nationalism, whose fruits the Low Countries had already experienced in the Magnus and Malus Intercursus³. The Antwerp merchants sought to 'break the Intercourse', that is, to deprive the Merchant Adventurers of their privileged status in foreign trade, just as English merchants were engaged in attacking the rights enjoyed by the Hansards in England⁴. They proposed, therefore, that "each nation trade with the other paying the usual customs". This demand for equality of status was resisted by the Merchant Adventurers who were bent on keeping the trade in their own hands ; and even those who did not favour the confinement of trade to 'a few English merchants', and thought that "it would be to the wealth of the nation" if the trade were thrown open to all Englishmen, were reluctant that the Antwerp merchants "should have the like liberty with us in England as we have had here [in the Low Countries], for they seek to bring the trade of all the world into their hands"⁵.

The controversy began to assume an acute form in 1560, when the merchants of the Low Countries represented to King Philip that new customs duties had been imposed upon

¹ *State Papers Foreign*, 1564-1565, p. 528.

² *Ibid.* The raw materials included wool, lead and tin ; the semi-manufactured goods were undyed and undressed cloth.

³ *Supra*, vol. i. 588.

⁴ *Infra*, p. 203.

⁵ *Hist. MSS. Comm. Pepys*, 56 (Letter of John Shers, 1565).

*Suspension
of com-
mercial
intercourse.*

them in contravention of the treaty between England and Burgundy in 1496 ; that they were required to find sureties on their arrival in England for the employment of the money they received here on the purchase of English wares ; that they were inhibited from dealing in certain commodities ; and that unless their grievances were redressed they would be constrained to abandon the English trade ¹. Their appeal bore fruit three years later in a proclamation ² in which the King of Spain rebuked England for her treatment of foreigners and threatened economic reprisals. He ordered that no English ships should be laden in any port of the Low Countries ; and the policy of retaliation culminated in the exclusion of cloth and wool from the Netherlands on the pretext of an outbreak of pestilence in England ³. These measures have been attributed, apart from their immediate occasion, to the political enmity between Spain and England ⁴, but contemporary opinion regarded the merchants of Antwerp as ' the procurers of these troubles ' ⁵ ; and, at this stage at all events, the conflict was primarily an economic struggle between London and Antwerp. Elizabeth responded by placing an embargo on the goods imported from the Low Countries ⁶. The Merchant Adventurers showed no disposition to compromise. They declined to pay customs on the same footing as the merchants of the Low Countries, alleging that if the handicap of unequal duties were removed their competitors would " get the whole trade of cloth into their hands " : they dismissed the threat that the Low Countries would " endeavour to clothe their own people ", with the retort that England would find other markets, and if, as a consequence, the demand for fine cloth contracted she could manufacture other varieties as formerly when the industry was not so dependent on the Netherlands : finally, they declared that Antwerp was not indis-

¹ *State Papers Foreign*, 1560-1561, p. 91. On these points, see *infra*, vol. iii. 14, 70.

² *State Papers Foreign*, 1563, p. 608.

³ November 1563 : *ibid.* 1564-1565, p. 36 ; 1583-1584, p. 589. Wheeler, *A Treatise of Commerce* (1601), 39.

⁴ Burgon, *Life of Gresham*, ii. 46.

⁵ *Hist. MSS. Comm. Salisbury*, i. 289 ; *ibid.* Pepys, 56.

⁶ *Tudor and Stuart Proclamations* (ed. Steele), i. No. 594 (March 1564).

pensable to England who could carry on her trade with other countries direct ¹.

The suspension of commercial intercourse with the Netherlands made it necessary for the Company to seek a new home ², and it received invitations from two German towns, Hamburg and Emden, which vied with each other for the honour and profit of entertaining the Merchant Adventurers of England. The choice fell upon Emden, and negotiations were at once opened up for the settlement of the fellowship in East Friesland on the condition that its members enjoyed protection from their enemies, immunity from arrest, exemption from customs and excise, and that other merchants were given facilities to frequent the mart free from the exaction of 'unreasonable toll' ³. The Company's enforced departure from the Netherlands raised doubts as to the validity of its charters and privileges, for Germany, into which it now penetrated, had been almost *terra incognita* to English traders. "In 1544", the governor ⁴ of the Merchant Adventurers wrote to Cecil, "I came from Danzig by land through all the marine towns except Stade and Emden, and found no Englishmen trading nor cloth to be sold but by the Steelyard men. The upland towns in Germany had their factors at Antwerp to buy cloth of the Company." On the ground that the Merchant Adventurers had 'found out the trade' to Germany, they were now granted a charter, dated 1564, which defined their future territorial limits ⁵. Antwerp exerted all its influence to prevent the removal of the mart town from the Low Countries. It corresponded with towns in Austria and Germany pressing them to refuse admission to the Merchant Adventurers: it sowed suspicions in the minds of the people of Emden that Elizabeth was planning to send ships of war to seize their city: it told English

¹ *State Papers Foreign*, 1564-1565, p. 529.

² A proposal was made to establish the mart town in England, just as the wool staple was set up in England in the fourteenth century: *Hist. MSS. Comm. Pepys*, 38-40, 56.

³ *Ibid.* 43-44.

⁴ Christopher Hoddesdon: *State Papers Domestic*, 1601-1603, p. 160.

⁵ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers* (ed. Lingelbach), 229 seq.; *State Papers Domestic*, 1634-1635, p. 312.

merchants that Emden " was a village no bigger than Gravesend " ¹: it hinted at the possibility of war to ' revenge their injuries ' ². For the moment its efforts seemed to meet with success: some of the English merchants stayed on at Antwerp, and others who went to Emden received a cold reception. But the influence of these transparent devices was short-lived, and Emden eagerly welcomed its opportunity. Two hundred burgesses offered to build within a year two houses apiece, and the town undertook the erection of forty or fifty residences for the accommodation of the merchants and their wares ³. The beginnings of the trade with Emden were auspicious. In May 1564 forty merchant vessels lay in the harbour laden with fifty thousand cloths and twenty-five thousand kersies; four hundred English traders were boarded in the different inns; another hundred had meals in common in the house where the Company had its headquarters ⁴. But the promise did not materialize; Emden failed to attract foreign merchants; and the Merchant Adventurers abruptly departed within three months without, complained the Count of East Friesland, the courtesy of a leave-taking ⁵.

*Concordat
with
Hamburg.*

Antwerp, apprehensive of losing its position as the market of Europe—the basis on which its inhabitants had " crept into such credit that almost they rule all trades and moneys " ⁶—hastened to re-open negotiations. The magistrates made advances to the Merchant Adventurers, whom they invited to join with them in making intercession to the rulers of England and Spain for the restoration of commercial relations ⁷. Eventually a provisional agreement was patched up by which free intercourse was resumed between the two countries, pending the holding of a ' colloquy ' in which to

¹ *Hist. MSS. Comm. Pepys*, 23.

² *Ibid.* 16.

³ *Ibid.* 23.

⁴ *York Merchant Adventurers* (ed. Sellers), p. lx. The authorities offered to build an exchange for the English.

⁵ See the Count's letter in *State Papers Foreign*, 1579–1580, pp. 102, 198.

⁶ *Ibid.* 1564–1565, p. 529.

⁷ *Hist. MSS. Comm. Salisbury*, i. 296. The damage due to the interruption of trade was estimated at ' almost two millions of gold ': *ibid. Pepys*, 16.

ventilate their grievances¹. The Merchant Adventurers returned to Antwerp; but the outbreak of the religious war in the Netherlands was a warning that their position was precarious², and to ensure their safety they began to make preparations for another removal. This time they turned their eyes towards Hamburg, which was preferred to Emden because the latter was 'too near the Netherlands'³. Hamburg, 'the most friendly to England of all the Hanse towns'⁴, had already seized the opportunity of England's breach with the Low Countries in 1564 to approach Elizabeth with the suggestion that it should serve as the continental market for English cloth⁵; and in 1567 a concordat was made with the fellowship for ten years in which many privileges were accorded to the Company in return for the monopoly of its traffic in Germany. The concessions included the provision of houses at the city's expense, the right of jurisdiction over its own members in civil causes, no greater tolls than those paid by citizens, freedom of religious worship, reparation for any injury done to the merchants, and the render of assistance to the officials in coercing refractory members⁶. Shortly afterwards the general court at Antwerp ordered that four ships should be laden with cloth for Hamburg in order to avoid the imputation that it only intended to use the German port as 'a refuge in time of necessity'⁷. The Company's policy was clearly dictated by apprehensions of the coming storm⁸: at the same time it embraced an opportunity to

¹ This was in November 1564: *Tudor and Stuart Proclamations* (ed. Steele), i. No. 605; Burgon, *Life of Gresham*, ii. 62; *York Merchant Adventurers*, 174. These grievances related to the seizure of goods for wrong entry, exaction of tolls, injurious methods of search, unfair 'tares' (*infra*, p. 235) and judicial oppression.

² *State Papers Domestic*, Addenda, 1566-1579, pp. 69-70.

³ This was the official explanation: *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 239. But for other reasons, see *infra*, p. 205.

⁴ *State Papers Foreign*, 1584-1585, p. 617.

⁵ Ehrenberg, *Hamburg und England im Zeitalter der Königin Elisabeth*, 310-311.

⁶ The "Privilegium der Engländer in Hamburg" is printed in Latin in *ibid.* 312 *seq.*

⁷ The decree is contained in a letter to York: *York Merchant Adventurers*, 179-180.

⁸ The Merchant Adventurers prepared to leave in 1567 in view of the danger, but were refused passports: *State Papers Foreign*, 1575-1577, p. 418.

'bridle the pride of the Low Countries', and to disappoint the expectations of those who "supposed that her majesty could not forbear the traffic of her subjects with the Low Countries one year without great peril and great impoverishment of her realm" ¹.

*Final
rupture
with
Antwerp.*

The storm burst at the end of 1568. The immediate cause was Elizabeth's seizure of the treasure in Spanish ships which had taken refuge in English harbours from French attack. Her action precipitated the breach with the Netherlands, which in the circumstances of England's political relations with Spain would have occurred in any event, and for which the Merchant Adventurers had already made their preparations. This must warn us not to exaggerate the consequences of her act in its influence on the fortunes of English trade, though it leaves untouched the question whether her policy can be justified on moral grounds or whether the pecuniary gain compensated for the shock given to international credit ². The Duke of Alva retaliated by arresting the persons and goods of English merchants and prohibiting intercourse with England ³; corresponding action was immediately taken in this country, and the rupture between England and the Low Countries became complete. A general court was held in London, and its formal decree announced to the branches of the Company throughout the kingdom that "this fellowship are enforced to discontinue their traffic in the base countries of Holland, Zeeland, Brabant and Flanders" ⁴. Although relations were again resumed in 1573 ⁵, and some of the English merchants once more repaired to Antwerp—they were there

¹ *State Papers Domestic*, Addenda, 1566–1579, pp. 69–70.

² The money was a loan made by Genoese bankers to Philip II. The Queen contended that, as it had not yet reached its destination, it was still Genoese property, which she now proposed to treat as a loan to the English Crown. For the Queen's defence, see *State Papers Foreign*, 1569–1571, pp. 5, 54, 61.

³ Alva took action in December 1568, and the English proclamation was issued in January 1569: *Tudor and Stuart Proclamations* (ed. Steele), i. No. 632.

⁴ The decree is among the records of the *York Merchant Adventurers*, 184 (1569).

⁵ *State Papers Foreign*, 1572–1574, p. 296; *Hist. MSS. Comm. Salisbury*, ii. 49; Burgon, *Life of Gresham*, ii. 308. In 1577 Bruges was appointed to be the mart town for the time being: *York Merchant Adventurers*, 192.

as late as 1582¹—the disasters which befell the city prevented it from regaining its ancient position, and the centre of interest now shifted to Germany. It was the end of an epoch.

The conflict between the merchants of London and those of Antwerp had concluded in a manner which could be interpreted as a triumph for the former, who had accomplished their expressed intention of 'bridling the pride' of the financial capital of Europe, though we must not infer that the breach between the two countries, unavoidable though it may have been, was in the permanent national interest. Yet their victory at once involved the Merchant Adventurers in another conflict in which they had to contend with a more powerful and determined adversary, who was free from the distractions of civil war and foreign oppression. The Hanseatic League had for long enjoyed in England a privileged position of which it had only recently been partially deprived². Its remonstrances at the time had been unavailing, but the entry of the English merchants into Germany furnished an opportunity for retaliation; and for nearly half a century no stone was left unturned in its efforts to drive the English merchants from German soil. The merits of the conflict between the League and the English Company can best be appraised if it is borne in mind that the Hansards were not fighting for the right to share in English trade—for they enjoyed this right on the same terms as native merchants³—but they claimed the full restitution of their former privileges which enabled them to undersell English merchants abroad⁴: and the question at issue was whether England had outgrown the need for according favoured treatment to any foreign mercantile body. The ultimate victory of the Merchant Adventurers over the League admittedly fell short

Significance of the conflict with the Hansards.

¹ *State Papers Foreign*, 1582, pp. 376, 409, 464.

² *Supra*, vol. i. 582; *Hist. MSS. Comm. Salisbury*, i. 164.

³ "They were allowed equal trade privileges with her own subjects", wrote Elizabeth: *State Papers Foreign*, 1586-1588, p. 172. See also *Acts of the Privy Council*, 1588, pp. 85-86; *State Papers Domestic*, 1595-1597, p. 123; Wheeler, *A Treatise of Commerce* (1601), 71-72.

⁴ By their former privileges they paid *less* duty on cloth than did English traders. The tariffs are given in *supra*, vol. i. 536-537. For the negotiations between Elizabeth and the League in 1560, see *Hist. MSS. Comm. Salisbury*, xiii. 43 *seq.*

of a national triumph, since they were an exclusive corporation; none the less the reduction of the Hansards to an equality with other merchants was the first step towards the complete liberation of English commerce from all privileged societies, native as well as foreign. Herein lies its significance.

The Merchant Adventurers in Germany.

Hamburg was a member of the Hanseatic League, and the privileged position assigned to the Merchant Adventurers there was a direct challenge thrown down to the League on its native heath. The challenge was at once taken up, and pressure was brought to bear upon Hamburg to expel the intruders. The city was bound for ten years by the concordat of 1567, but when the term expired it was inhibited from renewing the privileges of the Company by a decree of the assembly of the League ordering that the Merchant Adventurers at Hamburg should be "used there as other strangers were"¹. The response of the English Government was to place the Hansards on the same footing as other foreigners (1578), which meant that they were deprived of 'the liberty of subjects', namely, the right to pay the same customs as natives². The League showed its resentment by levying a heavy imposition on all goods brought into its territories by English traders, 'to be exacted with arrears from 1560'; but when Elizabeth retaliated with a counter-duty it hastened to withdraw the imposition³. The attempt to bring pressure to bear upon the League through the Steelyard in London failed⁴; and the Merchant Adventurers had now to seek a fresh residency. Emden, where they had been settled for a short time in 1564, was again chosen as the seat

¹ *State Papers Foreign*, 1578-1579, pp. 22, 383; *Acts of the Privy Council*, 1577-1578, p. 301; 1581-1582, p. 226.

² *State Papers Domestic*, 1595-1597, p. 123. A document, dated 1578, recites the grievances against the Hansards: *State Papers Foreign*, 1578-1579, p. 112.

³ The imposition amounted to 7½ per cent. It was first imposed in November 1579; Elizabeth followed suit, and it was revoked in November 1581: *Acts of the Privy Council*, 1580-1581, p. 206; 1581-1582, p. 318; *State Papers Foreign*, 1583, and Addenda, p. 559; *State Papers Domestic*, 1595-1597, p. 123; *Hist. MSS. Comm. Salisbury*, ii. 590.

⁴ E.g. the Steelyard was allowed to export unfinished cloth on condition it used its "good offices to restore the ancient amity": *Acts of the Privy Council*, 1578-1580, p. 31; *Hist. MSS. Comm. Salisbury*, ii. 182, 232.

of the Company abroad (1579) ¹. They thus retained their foothold in Germany, and the League set to work to drive them from Emden as it had driven them from Hamburg. It availed itself of the fact that Emden was an imperial city to approach the Diet at Augsburg with the demand that the fellowship should be expelled from the Empire : and a decree was issued in its favour (1582) on the plea that the Merchant Adventurers had deprived the Hansards of their privileges in England in order to concentrate the cloth trade in their own hands ². The Count of East Friesland was ordered by the Emperor to banish the Company from his country, but the Count had no inclination to sacrifice a lucrative traffic and eventually the Emperor, recognizing that the Augsburg decree would injure German trade, suspended its operation ³.

None the less Emden failed to meet the requirements of the Merchant Adventurers and they retired from it in 1587. ^{Their centres of trade.} The explanation given by the official historian of the Company is that the advance of the Duke of Parma made their position insecure ⁴, yet he alludes to ' other urgent causes ' ; and the fact that individual merchants were finding their way to the South of Germany ⁵ indicates that Emden was not proving a satisfactory centre of trade. The rulers of Poland, Denmark and Brunswick all angled for the settlement of the Merchant Adventurers in their country ⁶ ; and in 1586 there seemed a possibility of a return to Hamburg, which was the real objective of the Company, since the Senate invited the Merchant Adventurers to resume their former residency ⁷.

¹ They were settled there by 1580 : *Acts of the Privy Council*, 1578-1580, p. 440. The decree passed in 1579 is printed in *York Merchant Adventurers*, 207. The northern seaports had traded with Emden while the Company was still at Hamburg, and a protest against this was made in 1571 : *ibid.* 186.

² *State Papers Foreign*, 1583, and Addenda, p. 640 ; Wheeler, *A Treatise of Commerce* (1601), 47, 65.

³ *State Papers Foreign*, 1579-1580, pp. 364 *seq.* ; 1581-1582, pp. 154 *seq.* ; 1583 and Addenda, p. 640 ; 1583-1584, pp. 513, 517-518.

⁴ Wheeler, *A Treatise of Commerce* (1601), 47. The Scheldt being " possessed by the enemy, the merchants of Italy and Germany neither bring their goods nor send to buy English commodities there " : *State Papers Foreign*, 1586-1587, p. 118.

⁵ E.g. Nuremberg : Wheeler, *A Treatise of Commerce* (1601), 51.

⁶ *State Papers Foreign*, 1584-1585, pp. 452, 481, 512.

⁷ *State Papers Domestic*, 1595-1597, p. 123. For the protracted negotiations with Hamburg, see *State Papers Foreign*, 1586-1588, pp. 68-71, 74-76, 102, 314-315, 320-321, 348-349, 365-366, 398-408, 429, 456-460.

On this understanding Elizabeth restored the merchants of the Steelyard to their former footing, so that they again paid the same customs as her own subjects¹. But the negotiations broke down owing to the intervention of the Duke of Parma and Hamburg's fear of open defiance of the League². The Queen revoked her concessions³ and the fellowship moved to Stade (1587)⁴, although the warning was uttered that this 'flitting from one place to another' would affect the credit of the English merchants and diminish the value attached to their residence⁵. In addition to Stade the Company also established a settlement at Middelburg. It had begun to frequent the Dutch port as early as 1582, after the United Provinces had renounced their allegiance to the King of Spain⁶; and in 1587 the States General issued a decree inviting the fellowship to return to the Netherlands with a promise of all its ancient privileges⁷.

*Edict of
banish-
ment from
Germany.*

The enmity of the Hansards did not relax. At their instigation the Archbishop of Bremen, in whose dominion Stade was situated, forbade the city to entertain the fellowship⁸; and they made another appeal to the Diet of Ratisbon in 1594⁹, when the Emperor was induced to address a personal remonstrance to the Queen in which the Merchant Adventurers were stigmatized as monopolists¹⁰. Two years later the struggle attained its climax. Elizabeth had declared what was virtually a 'paper blockade' of Spain, and ordered the seizure of any neutral vessels which continued to trade with the enemy country in defiance of the blockade. The confiscation of Hanseatic ships¹¹ engaged in trade with

¹ The right to export undressed cloth was also restored to them: *Acts of the Privy Council*, 1588, p. 86.

² *State Papers Foreign*, 1586-1588, pp. 314, 349, 429, 457; *State Papers Domestic*, 1595-1597, p. 123; Wheeler, *A Treatise of Commerce* (1601), 48.

³ 1587: *State Papers Domestic*, 1581-1590, p. 398; *Acts of the Privy Council*, 1588, pp. 85-87.

⁴ *State Papers Foreign*, 1586-1588, pp. 397-398, 457.

⁵ *State Papers Domestic*, 1595-1597, p. 333.

⁶ *State Papers Foreign*, 1582, pp. 329, 376, 409, 464; *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 239.

⁷ *State Papers Foreign*, 1586-1587, pp. 289-290.

⁸ Rymer, *Foedera*, xvi. 106.

⁹ *Hist. MSS. Comm. Salisbury*, vii. 307.

¹⁰ 1595: *State Papers Domestic*, 1595-1597, pp. 115, 124.

¹¹ Wheeler, *A Treatise of Commerce* (1601), 66, 68.

Spain stirred up public opinion in the Empire, and provoked the Emperor Rudolph II. to issue a decree (1597) banishing the Merchant Adventurers from Germany¹. This famous edict opened with the statement that the Hanse towns had formerly enjoyed in England notable privileges 'granted by fourteen kings', which had endured for more than three hundred years so as to obtain the force of 'irrevocable possession'; but English companies of merchants had arisen which demanded a residence at Hamburg 'answerable to their desire'; when this was refused they usurped the privileged trade of the Hansards in order to strengthen their own trade. While the League was thus dispossessed of its 'inheritance of trade'² in England, the Merchant Adventurers had penetrated into Germany in large numbers, and as their position rested on monopoly their presence was a violation of the ordinances of the Empire. Their offence was aggravated by the abuse of their monopoly, the prices at which commodities were sold being "as high again as when the Hanse towns enjoyed their privileges".

The united forces of the Empire, the League and Spain, were now arrayed against the Merchant Adventurers. The King of Spain, who had 'sedulously promoted' the cause of the Hansards at the imperial court³, sent ambassadors to Lübeck to receive the Hanse towns into his protection and to support them with men, money and ships against England⁴. But Lübeck displayed no alacrity to embrace the proffered assistance. Their policy, the Senate replied, must be shaped by the progress of events, accordingly as the penal mandate was strictly executed or not, or England had recourse to open war⁵. The attitude of the English Government soon showed itself in a decree ordering the Hansards to depart out of the realm; the lord mayor was instructed to take the Steelyard into his hands; and the following year the historic London residence of the Hansards was converted

*Result
of the
decree.*

¹ The English version is printed in *Hist. MSS. Comm. Salisbury*, vii. 307-308 (see also p. 272). There is also a version in Wheeler, *A Treatise of Commerce* (1601), 80 seq.

² This phrase appears in Dr. Parkins's 'Notes' drawn up for Burghley's use: *State Papers Domestic*, 1595-1597, p. 124.

³ *State Papers Foreign*, 1583-1584, p. 224.

⁴ *Hist. MSS. Comm. Salisbury*, vii. 271.

⁵ *Ibid.* 273.

into a naval storehouse ¹. Abroad a troubled period set in for the Merchant Adventurers. The imperial edict did not effect their expulsion from Germany, and they continued, with a short interval ², to frequent the mart at Stade—the burgomaster admitting their goods while returning evasive answers to the protests of the imperial officials and the League ³. Outwardly their organization was dissolved and they traded as individual merchants, but the transparent fiction was exposed in the remonstrance of the Emperor's ambassador to the Senate of Stade in 1603: "It is notorious that these merchants send many ships laden with cloth into Germany and especially unto this town, and utter [sell] them by the authority of their court in England, and that the merchants residing here are for the most part Merchant Adventurers; and it is therefore clear that the English Merchant Adventurers' monopoly is still used in the Empire in spite of the imperial mandate, though under the colourable name of common merchants" ⁴.

*Precarious
position
of the
Merchant
Adven-
turers.*

Yet while it was 'notorious' that the banished society had again 'crept into the Empire', there was an evident reluctance on the part of the imperial court to proceed to extremities. The commercial interests of Germany demanded that trading relations with England should be maintained; and in the proposal of Stade to re-open friendly negotiations with Elizabeth for the restitution of Hanseatic privileges, although no real hope could have been entertained of success, the necessary pretext was found for delaying action ⁵. Nevertheless the position of the Merchant Adventurers was extremely precarious. They had to mask their activities in Germany, and they were powerless to prevent breaches of the 'old trade principles', for they could take no punitive measures against interlopers or even against

¹ *State Papers Domestic*, 1598-1601, p. 5 (1598). For the seizure of the Steelyard: *Acts of the Privy Council*, 1597-1598, p. 614; 1598-1599, p. 507.

² See *infra*, p. 210.

³ *Hist. MSS. Comm. Salisbury*, viii. 406 (1598). The Senate of Groningen offered to receive the Company in 1597 and again in 1602, if it left Stade "in accordance with the imperial mandate": *ibid.* xii. 111.

⁴ *Ibid.* xii. 639.

⁵ *Ibid.* xii. 639-640. For the negotiations in 1603, see *Parliamentary Papers* (1835), xlviii. 130.

their own members of whom some defied the ordinances, evaded payment of toll, and traded outside the mart town ¹. It appeared as though the dissolution of the Company was imminent ² in view of its failure to obtain any remedy against the 'straggling merchants', or free traders, who swarmed into Nuremberg and other parts of Germany from which members of the fellowship were excluded ³. The remedy for its difficulties seemed to lie in a return to the Netherlands, and advances were made to the States General in the hope of finding a permanent residence in a Dutch port ⁴. The Company demanded the confirmation of the privileges granted in 1587, together with other concessions such as protection against an increase of toll, and rights of civil jurisdiction and testamentary disposition ⁵. The answer of the United Provinces was considered ambiguous ⁶, but at the beginning of 1598 ⁷ the government of the Company was settled at Middelburg with which it had kept up an intermittent connexion since 1582 ⁸. The transference of the 'fellowship from the Empire to the United Provinces met with opposition from members of the Company, who were 'weary of the impositions' of Holland and Zeeland ⁹ and also held that better prices were obtained in Germany ¹⁰; and so they traded independently with Hamburg and Lübeck. As these

¹ *State Papers Foreign*, 1579-1580, p. 103; *Newcastle Merchant Adventurers*, i. 109.

² This was the view of a correspondent in *State Papers Domestic*, 1598-1601, p. 130.

³ Elizabeth had forbidden the export of cloth to the Rivers Elbe and Ems, but the interlopers disregarded the order: *ibid.* 204. The Company's complaint is in *Hist. MSS. Comm. Salisbury*, vii. 543. Interlopers were frequenting Nuremberg 'a few years before' 1584: Wheeler, *A Treatise of Commerce* (1601), 51. Some idea of the extent of their trade may be obtained from the fact that 60,318 cloths were shipped from London to Stade in 1596-1597 by the Merchant Adventurers; and 5301 to other places by them and interlopers: *State Papers Domestic*, 1595-1597, p. 515.

⁴ *Hist. MSS. Comm. Cowper*, i. 38.

⁵ *Ibid. Salisbury*, viii. 66-70. (For 1587 see *supra*, p. 206.)

⁶ *Ibid. Salisbury*, vii. 543. The account given by the official historian of the Company is highly coloured: Wheeler, *A Treatise of Commerce* (1601), 19.

⁷ See Wheeler's letter in *Newcastle Merchant Adventurers*, i. 110. Grants of the States General are dated 1598 and 1599: *The Lawes, Customes and Ordinances of the Fellowshipes of Merchantes Adventurers*, 239.

⁸ *Supra*, p. 206.

⁹ *State Papers Domestic*, 1598-1601, p. 253.

¹⁰ *Ibid.* 1601-1603, p. 160.

refractory brethren were 'not of the meanest nor poorest sort'¹ the Merchant Adventurers, while maintaining their court at Middelburg, accepted the invitation of the Count of East Friesland to repair to Emden, which he issued on the understanding that they went as 'simple traders' and not as an organized corporation, but they asked the Queen to appoint an agent 'to govern the estate of the merchants there'². Emden was again found inconvenient and the English returned to Stade³.

*End of the
conflict
with the
Hansards.*

The relations between England and Germany remained in this indeterminate condition during the first decade of the seventeenth century. The Merchant Adventurers continued to frequent the mart at Stade and other places, yet the ban of the Empire had not been lifted. The Hansards took advantage of the accession of a new sovereign to repeat their demand for the 'ancient privileges of monopoly in London'; but (the Venetian ambassador wrote in 1604) "the English, who are pushing their trade all over the world, insist upon open markets, and have succeeded in securing the rejection of the claim"⁴. In 1610 the League renewed its supplication to the Emperor 'full of bitter complaints and grievances against the Company', and obtained a rescript ordering the detention of the 'merchandise and debts' of English merchants⁵. The latter were seriously perturbed, and James I. despatched a special envoy who secured the suspension of the imperial mandate on the undertaking that England would participate in a conference to settle the dispute with the League⁶. The following year the situation was completely transformed when the resistance which the Merchant Adventurers had hitherto encountered in Germany suddenly collapsed. Hamburg, which had made more than one attempt to bring back the English Company⁷, restored

¹ *Hist. MSS. Comm. Salisbury*, xii. 42.

² *Ibid.* x. 42; xii. 42.

³ They went to Emden in 1599, and returned to Stade in 1601: *State Papers Domestic*, 1634-1635, p. 313.

⁴ *State Papers Venetian*, 1603-1607, p. 184.

⁵ *Hist. MSS. Comm. Buccleuch*, i. 94-95.

⁶ James I. also talked about sending a fleet to seize Hanseatic ships: *ibid.* 90.

⁷ For the attempt made in 1586: *supra*, p. 205. For 1602: *Hist. MSS. Comm. Salisbury*, xii. 489.

its privileges¹; the merchants of the Hanse towns retained possession of the London Steelyard²; and the long debate was at an end.

Henceforth the Merchant Adventurers had two mart towns abroad: one in Germany, the other in the Low Countries. The location of the German staple was permanently fixed at Hamburg in 1611, and here they were still to be found in the opening years of the nineteenth century³. The location of the Dutch staple was not permanently fixed until nearly half a century later. "Laban", said Sir Thomas Roe in 1641, "never changed Jacob's wages so often as the Hollanders have forced our merchants to change their residences and the very course of this trade by laws and tricks"⁴. The Company complained that it was not allowed to enjoy its 'ancient privileges'⁵: in particular, the Dutch imposition laid on English cloth served as a perpetual irritant⁶. Middelburg did not content the fellowship which was proposing to retire from it as early as 1613. Plans were mooted for the transference of the mart from the United Provinces to the Spanish Netherlands with which commercial intercourse had been resumed in 1604⁷; and the Merchant Adventurers were invited to re-establish the mart at Antwerp 'as in times past'⁸. The States of

Location
of the
Dutch
staple.

¹ *State Papers Domestic*, 1634-1635, p. 313. Apparently the imperial ban was not repealed, but only dispensed with in favour of Hamburg: *ibid.* 1676-1677, p. 27. For the privileges granted by Hamburg, see *Parliamentary Papers* (1835), xlviii. 133 seq. There were temporary difficulties with Hamburg during the Thirty Years' War, e.g. in 1628 the Privy Council ordered English merchants to withdraw from the city owing to its imperialist sympathies: *Hist. MSS. Comm. Skrine*, 139. For Anglo-Hanseatic relations after the Restoration, see Brinkmann, "England and the Hanse under Charles II." in *The English Historical Review*, xxiii. 683 seq.

² *State Papers Domestic*, 1635-1636, p. 169. See also Lappenberg, *Urkundliche Geschichte des Hansischen Stahlhofes zu London*, 109 seq. The merchants of the Steelyard were allowed certain fiscal immunities in consideration of the privileges enjoyed by the English merchants at Hamburg; and when London tried to levy rates upon them, they protested on several occasions: *State Papers Domestic*, 1648-1649, p. 340; 1651-1652, p. 97; 1689-1690, p. 115; 1691-1692, p. 210.

³ *Infra*, p. 268, note 2.

⁴ Sir Thomas Roe's *Speech* in *The Harleian Miscellany* (ed. Malham), iv. 460.

⁵ *Hist. MSS. Comm. Cowper*, ii. 150-151.

⁶ *Infra*, vol. iii. 295.

⁷ Rymer, *Foedera*, xx. 627.

⁸ In 1612 the Archduke had restricted the importation of English cloth to the Province of Brabant: *ibid.* 628. But in 1614 he made propositions

[contd.]

Zeeland importuned James I. to continue the residence of the fellowship at Middelburg; and the King, unwilling to estrange the United Provinces, intervened with success. The Company yielded, but its demands show the nature of its grievances. One related to 'tare', that is, the abatements made for faults in cloth¹; another urged that the States General should "by all means endeavour to draw trade thither and furnish that town with such variety and store of commodities as the merchants may find means of ample and ready returns": the third required the Dutch authorities to suppress interlopers, "for the town of Amsterdam in maintaining the interloperie sucketh the very heart-blood from us"².

*Settlement
at Dor-
drecht.*

A few years later the fellowship again sought permission to remove from Middelburg—"the grievances long complained of being still unredressed"³. Its request was now conceded⁴ and in 1621 it removed to Delft in Holland; here it remained until 1635 when it proceeded to Rotterdam. The Company had apparently contemplated removing to Amsterdam, but the Government disapproved of this⁵ for reasons probably not unconnected with a payment of six thousand pounds made by Rotterdam to the King to secure the residence of the Merchant Adventurers⁶. Amsterdam, which had been for many years the chief resort of the interlopers⁷, procured by way of retaliation a *règlement* of the States of Holland prohibiting the importation of dyed or dressed cloths; whereby, complained the fellowship, "they struck at the whole trade of this land in all other manufactures

to the Company for its return to Antwerp: *Acts of the Privy Council*, 1613-1614, pp. 328-329. Shortly before (1613) Dunkirk and Ostend were mentioned as possible seats: *Hist. MSS. Comm. Buccleuch*, i. 122.

¹ *Infra*, p. 235.

² *Acts of the Privy Council*, 1613-1614, pp. 20-22; *Hist. MSS. Comm. Buccleuch*, i. 122.

³ *Acts of the Privy Council*, 1618-1619, pp. 75-77 (1618); *State Papers Domestic*, 1619-1623, pp. 158, 180 (1620).

⁴ *State Papers Domestic*, 1619-1623, p. 193.

⁵ 1634: *ibid.* 1634-1635, p. 9. The negotiations with Rotterdam took place in 1634: *Hist. MSS. Comm. Cowper*, ii. 69.

⁶ *State Papers Domestic*, 1635, p. 308; 1635-1636, pp. 35-36.

⁷ A group of English merchants were living at Amsterdam: *ibid.* 1635, p. 97.

except white cloth" ¹. Rotterdam did not prove acceptable to the Company, which again contemplated withdrawal from the United Provinces and removing to the Spanish Netherlands ². Upon the expiration of the concordat with Rotterdam the magistrates resumed the privileges of the Company into their own hands, and did not re-invite the Merchant Adventurers "with that affection and propensity as was requisite for the honour and interest of the whole fellowship" ³. Accordingly the Company transferred the mart to Dordrecht (1655), where greater privileges were conceded than it had enjoyed before in the United Provinces ⁴. Though the concordat was made in the first instance for fifteen years the city, despite the opposition of the States, henceforth became the permanent seat of the fellowship in the Netherlands.

The end of the sixteenth century marks the turning point in the history of the Merchant Adventurers. Hitherto their energies had been absorbed mainly in the struggle against their foreign rivals: the merchants of Antwerp and the Hanseatic League. Now Antwerp had fallen from its high estate; and the epitaph of the Hanse towns was already being written by the official historian of the Company (1601) — "They are not the men they have been. . . . We need not much regard what they can do, for most of their teeth are out" ⁵. But the Company's triumph carried with it the seeds of its destruction: its organization had been severely shaken by the contest: and for some years after the edict of expulsion from Germany its authority was largely in abeyance. The interlopers hastened to occupy the field: even members of the fellowship traded independently ⁶: and when in 1604 a committee of the House of Commons drew up the famous Report on Free Trade ⁷, it was at once

*Turning
point in
the history
of the
Merchant
Adven-
turers.*

¹ *State Papers Domestic*, 1635, pp. 97-98, 524; 1635-1636, p. 36. *Hist. MSS. Comm. Cowper*, ii. 150-151.

² It petitioned in 1652 to be allowed to remove to Flanders: Rymer, *Foedera*, xx. 623.

³ *Newcastle Merchant Adventurers*, ii. 67.

⁴ *State Papers Domestic*, 1670, p. 510. The concordat is printed in *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 240-243.

⁵ Wheeler, *A Treatise of Commerce* (1601), 114.

⁶ *Supra*, p. 209.

⁷ *House of Commons Journals*, i. 218 seq.

apparent that the whole outlook of Englishmen had been radically changed by the years of disorganization and freedom. The Company had achieved its purpose in displacing the Hansards from their privileged position ¹ and in securing a foothold on Hanseatic territory ; but it was not allowed to retain undisturbed possession of the fruits of victory. Its right was challenged by other Englishmen ; and the struggle for national economic independence in the sixteenth century yielded place in the next century to a domestic conflict between a highly-organized corporation and a pertinacious body of ' free traders '. Although the contest wore the appearance of a fight for ' free trade ', we shall endeavour to show that its inspiration and driving force came from another direction ². But, first of all, it is necessary to describe the constitution of the Company and the extent of its trade, if the issues involved in the controversy are to be viewed in their proper aspect.

Their constitution.

The basis of the Company's authority was the charter granted by Elizabeth in 1564 ³ incorporating it as ' one perpetual fellowship and body politic '. The charter defined its constitution and provided the framework for its ' laws, customs and ordinances ', which were subsequently ' collected and digested ' by John Wheeler, secretary and historian of the fellowship ⁴. These ordinances can best be considered under four heads, accordingly as they relate to the government and membership of the Company, and its social and trading regulations.

¹ The Hanse towns approached the Long Parliament in 1641 with a request for the restoration of their ' ancient privileges ', stating that by the inequality of customs the English merchants had engrossed the whole trade, both outward and inward : *Hist. MSS. Comm.*, iv. 62.

² *Infra*, p. 249.

³ *Supra*, p. 199. For earlier charters, see *supra*, vol. i. 571-572. In 1579 the Company petitioned to be incorporated by the name of ' Merchants Adventurers of England ' : *Hist. MSS. Comm. Salisbury*, ii. 295.

⁴ Of Wheeler, Alderman Hoddesdon (governor of the Merchant Adventurers) wrote to Cecil in 1602—" The man is wise and honest, hath a sharp sight and quick conceit to prevent any mishap, is of good estimation and long acquainted with the manners of the Netherlanders. He hath their language, Latin and French as perfect as English, with a good taste of Italian and Greek. He is not sparing of his pen, hath good advertisements from Prague, Cologne and other places of far remote matters " : *Hist. MSS. Comm. Salisbury*, xii. 390.

The seat of government was located in one of the mart towns abroad. "The head court of their society", the Merchant Adventurers informed the Privy Council in 1637, "ever was and yet is beyond seas and not at London" ¹. The London court, like all the provincial courts, was technically subordinate to the general court abroad and professed to be unable 'to take cognizance of their actions' ². This was a convenient fiction which masked the dominating influence of London in the affairs of the Company ³; but the system of divided authority gave rise to dissensions when the head court abroad made independent decisions, and it was found necessary to establish a rule that no by-law or assessment should be made without the concurrence of London ⁴. The government of the fellowship was in the hands of a governor, chosen annually by the brethren assembled 'on this side the seas' (that is, on the Continent), his deputies, and twenty-four assistants ⁵. Their control was autocratic, the charter conferring upon them 'full jurisdiction, power and authority, lawfully to rule and govern the fellowship'. They had the right to ordain new laws, and to alter or revoke old ones; they were entitled to correct and punish 'disobedient persons and transgressors' by fines, imprisonment 'or otherwise'; and they were authorized to levy taxes, loans, assessments and impositions upon the persons and goods "as well of brethren of the fellowship as of other English subjects haunting or using the trade of a merchant adventurer in the places or countries where the fellowship is privileged". In addition the obligation was imposed upon them to be "always helpful to any

¹ *Newcastle Merchant Adventurers*, ii. 19. This statement definitely settles the controversy as to the location of the head court. See also *infra*, Appendix, p. 495, No. 5.

² *Newcastle Merchant Adventurers*, ii. 44.

³ The principal merchants were Londoners, and the officials in London conducted negotiations with the Government. The letters to Newcastle from the head court were signed by the deputy governor, and those from London by the governor: *ibid.* ii. 45-46.

⁴ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchant Adventurers*, 56, 195-196. A formal agreement was made in 1688 (*ibid.* 195), but it was not observed: *Transactions of the Royal Historical Society*, N.S., xvi. 55. After the trade was thrown open, the influence of London over the head court abroad apparently declined.

⁵ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchant Adventurers*, 5.

brother " in respect of " intercourses, privileges, compositions and other provisions (such brother not having wilfully run into danger or trouble) ", and to be " ready to defend him as far as reason requireth, at his costs and charges ". And the seal was given to their official status in the injunction laid upon all magistrates and customs officials to aid the officers of the society in enforcing the laws ¹.

Admission
to member-
ship.

Admission into the society was obtained in one of four ways—by patrimony from the father, a ' free and sworn brother of the fellowship before the birth ' of the claimant ; by service (apprenticeship) ; by redemption (purchase) ; and by ' free gift ' ^{1a}. The amount of the fine exacted for ' redemption ' developed into a subject of burning controversy. The Company adopted the avowed policy of making admission into its ranks difficult on the plea that it was over-crowded : " Our trade is too narrow for our traders " ². Yet behind this pretext lay the motive to which one of its branches gave frank expression : " No society or company can be compacted or drawn together without some respect and hope of commodity and fruit ; . . . as it is no little wisdom to foresee to the conservation of the same, so it is extreme folly to suffer others to enjoy that fruit and commodity which can but suffice only themselves ; . . . to scrape to themselves, as it were from our own mouths, our commodities and profits which should turn and come unto ourselves " ³. The Company, in short, claimed a right of property, or ' patrimony ', in its trade abroad, and treated interlopers as ' usurping upon other men's rights ' ⁴. The Act of 1497 had reduced the entrance fee from twenty pounds to one-third of the amount ⁵ ; but in the reign of James I. it had risen to two

¹ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 6, 9, 233-236 ; *Hist. MSS. Comm. Salisbury*, vii. 159-160 ; *ibid. Salisbury*, xi. 397 ; *ibid. Verulam*, 23-24 ; *State Papers Domestic*, 1655-1656, pp. 318-319. The Company was allowed to station an officer in the custom-house as a check on the merchants : *Acts of the Privy Council*, 1618-1619, pp. 113, 352. Also see *infra*, p. 262.

^{1a} *Infra*, Appendix, p. 496, No. 1.

² Parker. *Of a Free Trade* (1648), 22.

³ *Newcastle Merchant Adventurers*, i. 53-54.

⁴ Wheeler, *A Treatise of Commerce* (1601), 54.

⁵ *Supra*, vol. i. 577. Those admitted to trade under the Act constituted the ' New Hanse ' to which Gresham was opposed : see his letter in Burgon, *Life of Gresham*, i. 463. Their privileges were fewer : *infra*, p. 224.

hundred 'at least'¹. Protests in Parliament (1624) were unavailing; the Company declaring that its membership was already too large². Deprived of many of its privileges in 1624, it recovered them ten years later³ on the condition that merchants of London 'exercised in the profession of merchandise and not shopkeepers' should be admitted for a fine of fifty pounds, and those of the outports for twenty-five pounds. These fines were to be doubled within a short period⁴, so that after 1634 they were fixed at a hundred pounds and fifty pounds respectively⁵. After the Restoration the Company, pressed hard by the interlopers, endeavoured to disarm opposition by lowering the entrance fee to £13 : 6 : 8 for London and £6 : 13 : 4 for the outports⁶; and it even offered to admit new members on any terms approved by the State⁷. After the Revolution, when the Company was deprived of its exclusive rights⁸, the admission fine was reduced to the nominal amount of forty shillings, "with liberty to export English woollen manufactures into all the limits of the Company except the Rivers of Elbe, Weser and Eyder"⁹.

The most important avenue to the freedom of the Com-
pany was apprenticeship—'service with a free brother'—
but qualifying conditions were attached. The apprentice
had to be sixteen years of age before he was bound to his

Apprentices.

¹ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 36-37. They also had to pay double impositions during the first seven years. Their apprentices paid at their admission £50 or more.

² It asserted that 1800 members did not trade at all: *House of Commons Journals*, i. 689, 773, 780.

³ *Infra*, p. 263.

⁴ *State Papers Domestic*, 1634-1635, p. 346; 1635-1636, p. 35; *Royal Proclamation*, 1634 (printed in the Appendix to Parker, *Of a Free Trade*, 1648); *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1685.

⁵ These are also the amounts laid down in the Ordinance of 1643 (*infra*, p. 264): *Acts and Ordinances of the Interregnum*, i. 311. The statement in Anderson, *The Origin of Commerce* (ed. 1764), ii. 75, and in Scott, *Joint-Stock Companies*, i. 237, that the Ordinance of 1643 doubled the fine for admission, and so made entrance 'more difficult than before', overlooks the proclamation of 1634.

⁶ *State Papers Domestic*, 1663-1664, p. 103. *Tudor and Stuart Proclamations* (ed. Steele), i. No. 3380, gives the same fine for London and provincial merchants.

⁷ *State Papers Domestic*, 1670, p. 510; 1676-1677, p. 27.

⁸ See *infra*, p. 266.

⁹ *House of Commons Journals*, xii. 102 (1698).

master ; he was required to serve eight years ' at the least ' ¹ ; and if he failed to ' serve his master well and truly in every respect ', or married ' within the time of his apprenticeship ', he forfeited his claim to the freedom of the Company ². The customary restrictions were imposed upon the number of apprentices whom a member might take into his service—one at a time was allowed during the first seven years ; two during the next thirteen years ; and three after twenty years. These alone were entitled to admission into the fellowship upon the completion of their term of service, except that a member might also take in addition " one apprentice which by patrimony may enjoy the freedom " ³. The admission of members took place at a general court abroad, unless special licence were given to admit a member at a court in London ⁴. Certain categories were specifically excluded from membership—" no person whatsoever not being a true subject of his majesty ; no artificer, husbandman or handicraftsman, having no just title by patrimony or apprenticeship ; no person of dishonest behaviour ; no bondman " ; and no person guilty of perjury or crime ⁵. Moreover a son or servant admitted into the freedom was required to pay all ' debts, duties, fines and assessments ' for which his father or master was indebted to the Company ⁶.

Control
over
members.

The members of the Company when residing abroad in the mart towns were subject to strict control ⁷. They were forbidden to lodge or house their wares in any ' suspected house, tavern, inn or victualling house ' ; and heavy penalties were imposed for immoral conduct, ' unreasonable or excessive drinking ', and playing at ' dice, cards or tables in

¹ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 35. At Newcastle the period was ten years until 1752, and then eight years : *Newcastle Merchant Adventurers*, i. 262 ; ii. 42, 48. See *infra*, Appendix, p. 496, No. 2.

² *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 40-41. Anyone who engaged in trade without his master's licence, or lent out his master's money, etc., was deprived of his claim as an unfaithful servant : *ibid.* 101-102.

³ *Ibid.* 43-45.

⁴ *Ibid.* 35, 50.

⁵ *Ibid.* 36-37.

⁶ *Ibid.* 34.

⁷ The oath taken by a member of the York Company is printed in *York Merchant Adventurers*, 264.

these parts on this side the seas ' where the stakes exceeded twelvecence ' in any one game ' ¹. Conformity to the established religion was exacted, and anyone who " separated himself from the ordinary church or congregation, established by the common consent of the fellowship on this side the seas ", was shipped home ². Internal disputes were compromised by arbitration, no member being allowed to " vex, sue or trouble . . . any brother or officer of the fellowship, or cause them to be arrested or cited to appear . . . before any court of justice on this side the seas ", other than the court of the Company ³. This provision was intended to protect the fellowship from contact with foreign jurisdiction, but it also served to strengthen the feeling of solidarity among the brethren; and the same object inspired the regulation forbidding any " person of this fellowship [to] call any other of the fellowship—not being his servant—knave, false knave, or any other vile or opprobrious name ", or " to strike, beat or wound any other person of the fellowship " ⁴. The dignity of the head of the Company was strictly guarded, fines being inflicted for ' irreverent carriage ' towards the governor ⁵. The authority of the Company was further strengthened by a rule which forbade members to seek ' any licence, grant, charter or privilege ' for their own benefit ⁶, or to become burghers of the mart town without permission ⁷. Certain offences were punished with disfranchisement—marriage with a foreign woman ⁸, acquisition of an estate abroad ⁹, perjury, felony, violation of the oath of membership, and any act which imperilled the privileged status of the Company ¹⁰. Other penalties took the shape of fines and imprisonment, authority being given by the charter to punish by fines, or commit to prison ' without

¹ *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 172-175.

² *Ibid.* 176.

³ *Ibid.* 155.

⁴ *Ibid.* 169.

⁵ *Ibid.* 13.

⁶ *Ibid.* 26-27.

⁷ *Veneris* (1662), 33 (see *infra*, p. 229, note 3).

⁸ *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 189; Rymer, *Foedera*, xix. 403; *Hist. MSS. Comm. Cowper*, i. 466; *ibid.* *Salisbury*, i. 289. A pardon was sometimes granted: *ibid.* *Salisbury*, ii. 237, 248.

⁹ *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 189.

¹⁰ *Ibid.* 11-12.

bail or mainprize', offenders against 'the commonwealth of the fellowship' or its privileges ¹.

Control
over ap-
prentices.

The control exercised over members of the Company was extended, in a more rigorous form, to apprentices. The ordinances show that the fellowship recognized its responsibility towards youths released from the discipline of the home and exposed to the temptations of life in a foreign town. Their general purport was to ensure that apprentices lived in suitable establishments, kept regular hours and good company, and were well-conducted. Accordingly an apprentice in a mart town was forbidden to lodge in a 'place of ill rule' or in any inn, tavern or victualling house; or to stay out after ten o'clock in summer and nine o'clock in winter; or to take meals away from his lodgings, "except he be guested abroad, or that it shall please the fellowship upon his or his master's request to give leave that he may, for learning of language, board in a stranger's house for a year after his first coming over or shorter time". Penalties were imposed for immoral conduct, excessive drinking, playing at 'cards, tables, dice or any other game for above fourpence in a game', wearing apparel 'not fit for his estate or quality', quarrelling with strangers, 'commonly or inordinately dancing, mumming or walking abroad in the night season at undue hours', knocking and ringing at men's doors, beating at windows, or miscarrying himself 'in any other the like unruly or uncivil manner', and lastly 'consuming his master's goods' ². Apprentices were excluded from any share in the government of the Company. Although present in court, they had 'no voice nor hand' in its business, 'except they be their masters' factors and attorneys'. But it was permissible for any apprentice, "having occasion to deliver his mind, speak or make any suit or motion to the court, to present himself and come forth of his place before the court with due reverence and, so to speak, deliver his mind, and to make his suit or motion for himself or any other as occasion shall serve" ³.

¹ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 234-235.

² *Ibid.* 46-48.

³ *Ibid.* 20. See *infra*, Appendix, p. 496, No. 3.

The ordinances drew a sharp line between the merchant and the retailer; and, in the case of London, they excluded from membership anyone engaged in retail trade¹. The attempt to apply the prohibition to the provinces in the sixteenth century broke down², and in the northern ports, at any rate, the majority of merchants kept open shop³. It was also forbidden to all members, metropolitan or provincial, to frequent fairs and markets with their wares. The ban on retail trade was in harmony with the mediaeval principle, one man one trade⁴, and it was inspired by the fear that retailers, dealing direct with the consumer, would "beat the merchant wholly out of the trade"; and so "take the living from their brethren"⁵. "The rich retailers", said the Merchant Venturers of Bristol⁶, "as the grocer, mercer, haberdasher, soapmaker, vintner, etc., adventuring themselves, must needs undo all the poorer sort who do not adventure, and eat out the mere merchants who have but those to whom they may make their vent. Unskilfulness in merchandise, and great numbers going over on the seas, must greatly abase our English commodities and advance the price of foreign wares: for the more there are to sell there the worse market they will make, and the more buyers of strange commodities the dearer they must be. . . . It is injurious to him who has served seven or eight years, and

*Exclusion
of
retailers.*

¹ *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 109-111. See Gresham's letter in Burgon, *Life of Gresham*, i. 464. Retail trade was interpreted to mean the sale of quantities less than one piece (woollen, linen and silk cloths); ten pieces (fustians and says); a hundred pounds (pepper); six dozen (knives), etc. The restriction did not apply to the trade in victuals and precious stones imported from abroad: *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 111-114.

² *Infra*, p. 256.

³ *Newcastle Merchant Adventurers*, i. 187; ii. 42-43; *York Merchant Adventurers*, 230, 234. The ordinances excluded the provinces from the prohibition: *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 114. See also *House of Commons Journals*, i. 579.

⁴ *Supra*, vol. i. 357. For the efforts of provincial merchants to exclude retailers, see *ibid.* 435-436.

⁵ Child, *A New Discourse of Trade* (4th ed.), 115; *York Merchant Adventurers*, 216.

⁶ *State Papers Domestic*, Addenda, 1566-1579, p. 344. The Act of Parliament (1566) confirming the Bristol charter, by which retailers were excluded, was repealed in 1571 owing to local opposition; but in 1612 the corporation authorized the society to exclude retailers: Latimer, *Merchant Venturers of Bristol*, 47, 55, 66.

was apprenticed to a merchant, to have his living prejudiced by such as are ignorant of the trade, wherein there is more skill than every man judges. A merchant cannot be a retailer for want of skill and acquaintance of customers, which requires an apprenticeship to bring him to it". These arguments were subsequently answered by Child when he contended that there was no danger of any general invasion of the field of foreign trade by retailers, because their own business demanded a 'full stock' as well as 'full attendance'; moreover, like other men, they are 'led by their profit' and would soon learn to avoid mistakes in commerce; above all, it was in the interests of the nation "to buy cheap whatever appellation the seller has"¹. The merchant was differentiated not only from the retailer but also from the manufacturer; and he was forbidden "by himself or by any other person for him or to his use [to] endrape, work or make any cloth"².

*Regulation
of trade.*

Orders for the regulation of trade covered every aspect of the working arrangements: in their wealth of detail they exhibit a minute picture of the internal economy of a regulated company engaged in 'feats of merchandise'. The sphere of trade comprised Germany and the Low Countries³, and heavy penalties were imposed on the unlicensed traders, known as interlopers, who traded within this sphere without the Company's sanction—except in the case of books, victuals and provisions of war⁴. As regards the privileged merchants, the first stipulation was that no member should carry on trade in any place within the Company's territory other than the mart towns⁵. The breach of this regulation was punished with heavy fines, culminating for the third offence in disfranchisement, but it was permissible to frequent the Frankfurt marts, and to buy certain specified

¹ Child, *A New Discourse of Trade* (4th ed.), 115-116.

² *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 110.

³ Between the Rivers Somfne and Skaw: Wheeler, *A Treatise of Commerce* (1601), 20.

⁴ The penalties were 40s. for every short cloth, and £25 for every £100 worth of other wares; for the third and subsequent offences penalties were doubled: *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 55-56.

⁵ *Ibid.* 53.

commodities 'in any place whatsoever'¹. Merchandise had to be exported abroad in ships chartered by the Company, which sailed altogether² at set times of the year, though provisions could be shipped at any time: similarly, when ships were appointed 'on this side the seas to lade for London', they had to be used in preference to other ships³. The 'shipmasters' employed in the service of the fellowship were subject to regulations designed to secure that they did not exceed the freights fixed by the officials of the Company, nor charge more than the authorized rates, nor take on board goods belonging to interlopers⁴. There were four seasons in the year at the most when the continental market was held, and they were known as the pasche (spring), sinxon (summer), balms (autumn) and cold (winter) marts⁵. But the actual occasions on which the large shipments of cloth were made depended on circumstances: the usual number of shippings was two or three⁶.

The merchants attended the marts in person, or deputed *Trading* an apprentice or factor. The members of the 'Old Hanse' *etiquette* claimed the privilege to trade to the mart town 'by servant or factor', and they would only allow the members of the

¹ They included horses, harness, munitions, books, fuel, furs, bow-staves, wainscot, clapboard, deal board, mill-stones, soap ashes, pitch, tar, cordage and other naval necessities, grain, fish, flesh, butter, cheese, rice, etc.: *ibid.* 54.

² This was strictly insisted upon: *Newcastle Merchant Adventurers*, i. 40; *York Merchant Adventurers*, 147, 161. Yet actually ships did sail singly at various times in the year: Friis, *Alderman Cockayne's Project*, 75.

³ *The Lawes, Customes and Ordinances of the Fellowshipe of Merchantes Adventurers*, 57, 61, 64.

⁴ *Ibid.* 78, 81, 84.

⁵ *Ibid.* 46. As to the length of the mart, compare the regulation in *Newcastle Merchant Adventurers* (i. 40), dated 1553, fixing a period of six weeks from the arrival of the fleet, after which a merchant "shall sell no kind of merchandise".

⁶ In the sixteenth and seventeenth centuries shippings were made "twice in one year at the most": *Statutes*, iv. part i. 375; *State Papers Domestic*, 1619-1623, p. 358; *Hist. MSS. Comm. Pepys*, 39; *Newcastle Merchant Adventurers*, i. 40; ii. 41, 70. But in 1662 the Company said: "The fellowship will not deny that usually they have appointed no more than 3 shippings for both their marts . . . in one year": *Veneris* (1662), 19 (see *infra*, p. 229, note 3). A petition of the West Riding clothiers in 1642 stated that the northern merchants shipped away cloth three times a year: *Hist. MSS. Comm.* v. 38. An instance of three shippings is recorded in 1552: *York Merchant Adventurers*, 147. See *infra*, Appendix, p. 496, No. 4.

'New Hanse' to trade there in person with their own goods¹. The days when commodities were exhibited for sale were called 'show days'—these were Monday, Wednesday and Friday, the limitation to three days being intended 'partly for our own ease and partly for the buyers' advantage'². It was forbidden to 'show, sell or deliver' any commodity 'in time of the sermon or divine exercise or upon any public fasting day'³; and, in order to promote harmony and ensure equality among the merchants, rules of trading etiquette were prescribed. "No person shall stand watching at the corners or ends of streets, or at other men's pack-houses, or at the house or place where any cloth merchant or draper is lodged, nor seeing any such in the street shall run or follow after him with intent to entice or lead him to his pack-house". And again: "No person shall let or interrupt another in his bargain whether buying or selling, nor by any sign, device or other means . . . shall attempt to hinder or break off another's proceedings"⁴. It was not permitted to give gratifications to merchants or brokers, nor to make "petty ales and retails, which (if allowed) would reduce us soon to ignoble vulgar pedlars"⁵. A merchant, as we have said, could transact business in the mart town in person, or through his servant or attorney, but he was not allowed to employ any others; while the 'colouring' of the goods of non-freemen⁶ was forbidden, and relations in general with non-members were strictly defined and controlled⁷.

The
'stint'.

One ordinance established a 'stint', that is, fixed the amount of trade. The idea of a 'stint' was in accordance with mediaeval gild principles, it was embodied in the

¹ Schanz, *Englische Handelspolitik*, ii. No. 134 (p. 587). The 'New Hanse' consisted of those admitted to trade at a reduced fee under the Act of 1497: see *supra*, p. 216, note 5.

² *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 88. At Hamburg (1648) there were only two show days a week: Parker, *Of a Free Trade* (1648), 17. *Infra*, Appendix, p. 496, No. 5.

³ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 90.

⁴ *Ibid.* 91, 171. Similarly: *Newcastle Merchant Adventurers*, i. 77; *York Merchant Adventurers*, 277.

⁵ Parker, *Of a Free Trade* (1648), 17.

⁶ *I.e.* passing off the goods of non-members as one's own.

⁷ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 92-94.

Newcastle 'vend' ¹, and it is a feature of the modern cartel. A merchant was limited during his first three years to four hundred cloths a year: the number then rose annually by fifty until in his fifteenth year he could ship a thousand cloths in all: thereafter he could not exceed this number, "how long time soever any man of what estate or degree soever shall be free of this fellowship" ². There was also a 'stint' in respect of lead ³; and the market was further controlled by the expedient of a 'general restraint of shipping or abstinence of trade', whenever the Company wished to prevent a glut or produce a scarcity in English commodities abroad ⁴. Moreover the Company had the right to levy impositions and raise forced loans on the goods handled by its members ⁵; and its exactions, together with the 'stint', served to advance the price of English wares in foreign markets.

An important group of regulations related to the conduct of business transactions: they were intended to discourage moral laxity and enforce financial probity. Transactions were arranged on a credit basis, but the maximum period in the case of cloth was limited to six months, and bills were arranged in payment at the time of delivery or before the purchaser departed from the mart town ⁶. The whole force of the fellowship was mobilized behind an aggrieved creditor. If a non-member refused to pay his debts, no member of the Company might buy goods from him, or sell them to him 'for days of respite', but "shall receive his ready money before he deliver his cloths or other merchan-

*Credit
trans-
actions.*

¹ *Supra*, p. 131. See *infra*, Appendix, p. 497, No. 1.

² *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 68-70 (also p. 49).

³ *Ibid.* 67. In *Newcastle Merchant Adventurers* (i. 29, 37, 39) are similar regulations limiting the export of wool, skins and canvas. One fixed the quantity according to whether the merchant was married or a bachelor (i. 39).

⁴ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 61-62.

⁵ The amount varied according to circumstances. The imposition was 8d. on short cloths and 12d. on long; this was increased to 12d. and 18d. respectively in 1618. In addition, an 'imprest' or forced loan was levied (1618) of 4s. and 6s. respectively: *ibid.* 178, 187-188.

⁶ *Ibid.* 124, 127. An oath taken by the merchant not to exceed six months ended: "You swear to keep the taking of this oath secret to yourself": *Newcastle Merchant Adventurers*, ii. 180-181.

dise" ¹. If a member failed to satisfy a creditor, the court of the fellowship could order the distraint of his goods, which "shall forthwith be sold by a candle burning . . . for the highest price and most value that can be made by cry of the beadles before the going out of the candle, for ready money" ². The Company, as a semi-public institution, was concerned to prevent frauds in the payment of customs, and it fixed the scale of penalties which "every person mis-entering his goods contrary to the rights of the custom-house in any part of England shall forfeit and pay to the use of the fellowship" ³. It was equally concerned to prevent frauds of another kind by enjoining that "no brother shall falsify or fraudulently mingle, handle, use or pack pepper, hops or any wares or commodities whatever" ⁴. The attempt to stamp out fraud brought merchants into collision with manufacturers. The merchants were responsible to foreign buyers for the quality of the wares which they handled, and the maintenance of a standard of quality was one of the recognized functions of the Company and one of the main arguments in favour of its privileged status ⁵.

Size of
member-
ship.

We have described the constitution of the Company as portrayed in its charter and ordinances. Its actual membership and the extent of its trade naturally varied at different periods. Wheeler (1601) estimated the nominal membership at 3500, and Malynes (1622) at '3 or 4000' ⁶; in the middle of the seventeenth century it was said to exceed 6000 ⁷. But the number actively engaged in trade was considerably smaller: a parliamentary committee reported in 1624 that one-half the members 'trade not' ⁸. Most of the members were drawn from London, yet though the provincial branches were comparatively small, in the aggregate they must have

¹ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 97-99.

² *Ibid.* 156, 161.

³ *Ibid.* 66.

⁴ *Ibid.* 109.

⁵ *Infra*, p. 234.

⁶ Wheeler, *A Treatise of Commerce* (1601), 57; Malynes, *The Maintenance of Free Trade* (1622), 51.

⁷ According to Parker, an official of the Company: *Of a Free Trade* (1648), 22.

⁸ *House of Commons Journals*, i. 773 ("1800 trade not"). Similarly: Wheeler, *A Treatise of Commerce* (1601), 57—"A very great many use not the trade".

constituted a fair proportion of the total membership. Newcastle, for example, after the Restoration accounted for over two hundred members¹. The enemies of the Company asserted that "it is come to be managed by forty or fifty persons"², but even under an open trade the tendency would have been for the large traders to squeeze out the small men. Individual merchants were often possessed of considerable capital. The Venetian ambassador wrote home in 1557 that among the Adventurers and Staplers "there are many individuals possessed of from fifty to sixty thousand pounds sterling"³. A regulated company had no joint stock—not 'one groat of common stock'⁴—and no buying nor selling in common; and its members were therefore supposed to trade each on his own capital. Actually groups of partners, sometimes with as many as six in a group, were formed, so that within the framework of the regulated company there existed a series of embryonic joint stocks⁵. A great amount of trade was also done on borrowed capital⁶.

The principal article of export was cloth, and other commodities included lead, tin, leather, corn, beer 'and divers other things'. The imports were extremely varied. German merchants supplied the Company with Rhenish wine, fustians, copper, steel, hemp, linen and gunpowder; Italian merchants with silk wares and velvets; the 'Easterlings' with flax, hemp, wax, pitch, tar, timber, furs and masts; the Portuguese with spices and drugs; the Netherlands with tapestry,

*Nature and
extent of
trade.*

¹ *Newcastle Merchant Adventurers*, ii. 107 (1664).

² Malynes, *The Maintenance of Free Trade* (1622), 51; *Hist. MSS. Comm. Cowper*, i. 160 (1624). "In effect not above 200", stated the Report on Free Trade (1604): *House of Commons Journals*, i. 219. Misselden (*The Circle of Commerce*, 1623, p. 58) declared that Malynes's allegation was 'most false'; but it is supported by Miss Friis's investigation of the Port Books. In 1606 the active members numbered 219, of whom 51 exported more than one-third of the total (94,284 cloths) and 26 exported nearly one-half: *Alderman Cockayne's Project*, 77-78.

³ *State Papers Venetian*, 1556-1557, p. 1045.

⁴ *State Papers Foreign*, 1582, p. 533 (Petition of the Merchant Adventurers). "Our fellowship does not trade in a joint stock" (Letter of the Company): *State Papers Domestic*, 1652-1653, p. 136.

⁵ This was adversely commented upon in one of the Company's decrees: *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 56.

⁶ Raleigh, *Works* (ed. 1829), viii. 367; *State Papers Domestic*, 1652-1653, p. 136. Also *infra*, vol. iii. 218 *seq.*

linen, and 'all kinds of manufacture or hand-work not made in England'¹. Some figures are available to measure the growth of the Company's trade. At the end of the fifteenth century the Merchant Adventurers exported to Antwerp 22,000 cloths, about one-third of the whole number². A century later the quantity had nearly trebled, while in addition there were 40,000 coloured cloths, bays, kersies, dozens, 'and other coarse cloths': the total value was estimated at a million pounds³. The Report on Free Trade (1604) stated that the Company had "the managing of the two-third parts of the clothing of this realm"⁴. Early in the reign of James I. the number of undyed and undressed cloths exported to Germany and the Low Countries increased by 25 per cent., 'being the greatest height of the trade in draperies'⁵. After 1614 the Company experienced many vicissitudes owing to Government interference, the activities of the interlopers and Dutch competition⁶, so that its prosperity was often at a low ebb; yet at the Revolution it claimed to trade 'for at least £200,000 per annum'⁷; and, even after the cloth trade had been thrown open, the value of the stock kept in the warehouses at Hamburg amounted to £100,000⁸.

Issues
involved
in the
attack upon
the Com-
pany.

The organization built up by the Merchant Adventurers under the protection of the Crown had proved itself strong enough to wrest from the Hanseatic League the privileged position which the latter had formerly occupied in English foreign trade, but it was destined in the seventeenth century to succumb to the jealousy of those who were excluded from its membership. The conflict between the interlopers—or 'free traders', as they were called—and the chartered

¹ Wheeler, *A Treatise of Commerce* (1601), 22-23.

² 1498: Schanz, *Englische Handelspolitik*, i. 11.

³ Wheeler's figures: *A Treatise of Commerce* (1601), 21-22. (There were 60,000 white cloths.)

⁴ *House of Commons Journals*, i. 219.

⁵ In 1606 the Company exported from London 76,123 undressed cloths (together with 18,161 dressed cloths): Friis, *Alderman Cockayne's Project*, 129. The total agrees closely with the figure in *State Papers Domestic*, 1634-1635, p. 313.

⁶ See *infra*, vol. iii. 379 *seq.*

⁷ *House of Lords MSS.* 1689-1690, p. 257.

⁸ *Hist. MSS. Comm. Various*, viii. 74 (1694).

companies, occupies an important chapter in the history of English commerce. It involved the fundamental principle, which has a bearing also on present-day problems, whether foreign trade could be "possibly managed to the public and assured advantage of the commonwealth better by all English pretending merchants in a loose (which they call a frank and free) trade, than by merchants bred up in the mistery of this trade and *associated together under order and government*"¹. On behalf of the Company it was claimed that "the maintenance of the Fellowship of Merchant Adventurers hath been and is for the honour and service of the Prince and State at home and abroad"². The claim rested on the threefold ground of the privileged status conferred on them in foreign countries; the 'politic government' which they established in trade; and the services which they rendered the State in their capacity as a semi-public institution.

The Merchant Adventurers enjoyed numerous privileges abroad³. "The fellowship", they boasted, "may plant their staple of residence in any city", and the magistrates would grant them "greater privileges than to their natural subjects"⁴. The city in which they resided provided free of rent, and kept in repair at the town's charge, houses and gardens for the accommodation of the governor, the secretary, the chaplain and the officials; and in the main establishment, or 'English House' as it was called, the Company had the right to assemble and hold its courts for the conduct

1. The Company's privileged status abroad.

¹ *Veneris* (1662), 2 (see *infra*, note 3).

² Wheeler, *A Treatise of Commerce* (1601), 108. An able defence of the Company was made by Parker, whose official standing is indicated by his reference to Wheeler—"a learned gentleman that preceded me in this place": *Of a Free Trade* (1648).

³ A statement of their privileges is given in (1) *Hist. MSS. Comm. Salisbury*, viii. 66-70; (2) A pamphlet (in the Bodleian Library: G. 1. 15, Art.) headed *Veneris 14 Feb. 14 Car. At the Grand Committee of Trade* (Drawn up in connexion with the charges brought by the merchants of Exeter against the Company in 1662: *State Papers Domestic*, 1661-1662, p. 294); (3) The treaty between the city of Dordrecht and the Company in 1655, printed in *The Lawes, Customes and Ordinances of the Fellowshipe of Merchanties Adventurers*, 240 seq.; (4) The contract between Hamburg and the Company: *Parliamentary Papers* (1835), xlviii. 133 seq.

⁴ *State Papers Foreign*, 1564-1565, p. 529; *House of Commons Journals*, i. 698; *Veneris* (1662), 32.

of its affairs. Other dwelling-places and warehouses were provided for members at a reasonable rent ; and in addition the brethren of the fellowship had the free exercise of their own religion, and their church was maintained in repair at the city's expense ¹. The Merchant Adventurers paid little or no duty upon cloths, kersies, bays, or 'English beer'², and no excise upon wines or provisions bought for private use ³. Their immunities in the mart towns were valued in 1624 at thirteen or fourteen thousand pounds⁴. When a wreck occurred at sea, the goods which could be recovered were to be restored 'upon reasonable salvage' ; and if tempest or other misfortune drove their ships into another port, they were not to pay duty or tolls, 'except they break bulk'⁵. The Company could arrest the persons and goods of any Englishman 'by their own officers and of their own authority', and administer civil jurisdiction over 'all of their own nation' according to English law and custom. In this way the members were permitted 'to rule themselves' ; and, instead of being "exposed to the snares and rigours of foreign laws and magistrates", they were "tried by men of our own religion, of our own nation and education"⁶. The magistrates of the town promised assistance in the execution of the sentences of the Company⁷, and 'speedy and exemplary justice' in cases of injury done to members⁸. In the event of conviction for a 'capital crime or even high treason', a member's estate was not to be confiscated but was to pass to his heirs ; no member was to suffer confiscation or damage in his goods for a crime committed by his servant without his

¹ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 241.

² *Ibid.* 240 ; *Veneris* (1662), 32-33. In the Low Countries they had paid 'low tolls and customs' : *State Papers Foreign*, 1564-1565, p. 529. Later there was levied a heavy imposition on cloth : *infra*, vol. iii. 295. At Hamburg they paid a small duty : *Parliamentary Papers* (1835), xlviii. 133.

³ *The Advantages of the Kingdom . . . under . . . the Merchant Adventurers of England*.

⁴ *House of Commons Journals*, i. 698, 784. See *infra*, p. 248.

⁵ *Veneris* (1662), 32.

⁶ *Ibid.* 32-33 ; Parker, *Of a Free Trade* (1648), 9 ; and next note.

⁷ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 243.

⁸ *Veneris* (1662), 33. No 'letters of respite' were to be given to the debtors of English merchants : *Hist. MSS. Comm. Salisbury*, viii. 70.

knowledge¹; nor was he liable for the debts of a fellow-countryman unless he had stood surety for him². Among other privileges, a member's will was to be as valid as if made in England³; he was exempted from all police duties such as watch and ward, and from all contributions levied upon burgesses of the city; and no soldiers were to be quartered in his house or in that of any citizen where he lodged or warehoused his goods⁴. Finally, the city undertook to provide men-of-war as convoy to English ports whenever required, without any charge to the Company; and in the event of war, the members were enabled by their letters of safe conduct 'to retreat in due time with their persons and estates'⁵.

These extensive privileges—ensuring as they did inviolability of person and property, speedy justice against natives, separate establishments, immunity from taxes⁶ and civic obligations, the right of self-government according to their own laws and customs—could only have been obtained by a body of merchants acting in a corporate capacity. The merchants were manifestly 'more valuable and acceptable' to the town in which they fixed their residence in proportion as they were united⁷. Their strength lay partly in the fact that as a corporation they could make a more vigorous resistance against 'oppressions and innovations' than as individuals⁸, but their real safeguard was their ability to divert the whole stream of English traffic from any city which offended them. Their presence or absence could make or mar the fortunes of any town. It was observed in 1575 that "experience these sixty years has shown that to whatsoever place the English keep their marts, thither all

Due to trading in a corporate capacity.

¹ *Veneris* (1662), 32-33.

² Ehrenberg, *Hamburg und England im Zeitalter der Königin Elisabeth*, 322. Cf. *supra*, vol. i. 287 seq.

³ *Hist. MSS. Comm. Salisbury*, viii. 69; *Veneris* (1662), 32.

⁴ *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 242-243.

⁵ *Ibid.* 241; *Veneris* (1662), 32.

⁶ In England 'merchant strangers of the Intercourse' (belonging to the United Provinces and the Spanish Netherlands) were exempt from subsidies and taxes in virtue of the 'ancient intercourse between the Crown of England and the House of Burgundy': *State Papers Domestic*, 1641-1643, pp. 479-480. In 1642 they numbered 28: *ibid.*

⁷ Parker, *Of a Free Trade* (1648), 12.

⁸ *Ibid.* 18.

other nations follow to traffic"; and when the Merchant Adventurers left Antwerp rents fell by one-half¹. And the apologists for the Company made great play with the argument that "if once all were set at liberty . . . then it would in few years come to pass that we should neither have privilege nor jurisdiction abroad, the friendship and kind of usage of our neighbours would wax cold and faint, yea, we should go to the walls, be rogued and exacted upon every where"².

II. 'Political government' in trade involved four principles.

In the next place, the Merchant Adventurers embodied the ideal of a 'well ordered and ruled trade', which they contrasted with the 'loose, distracted and disorderly trade' of the interloper³—the 'straggling and unskilful' merchant who observed 'no rule' in the sale of his commodities⁴. This ideal, the basis of the commercial policy of the Middle Ages and beyond until it was discarded after the Revolution of 1688⁵, involved a whole commercial system, in which foreign trade was deemed a profession requiring training and experience, prices were kept high, a standard of quality was maintained, and production was restricted. These were the four fundamentals upon which the organization of commerce in the sixteenth and seventeenth centuries, as in earlier times, was based. Each must be considered in turn.

(i.) Foreign trade a profession.

The Merchant Adventurers pointed with pride to the fact that the fellowship had trained up 'knowing and experienced' merchants. "Out of it", wrote their secretary, "as out of a plentiful nursery, have sprung and proceeded almost all the principal merchants of this realm", and "such companies as have arisen since have for the most part fetched their light, pattern and form of policy and trade from the Society"⁶. The institution of apprenticeship served as a school of training and discipline: and the Company placed foremost among its objects 'to breed up youth for succession'⁷. In this way the inherited and acquired knowledge

¹ *State Papers Foreign*, 1575-1577, p. 63.

² Wheeler, *A Treatise of Commerce* (1601), 111.

³ Misselden, *Free Trade* (1622), 76. Cf. *supra*, vol. i. 574-575; and *infra*, Appendix, p. 497, No. 2.

⁴ *Hist. MSS. Comm. Salisbury*, vii. 544.

⁵ Wheeler, *A Treatise of Commerce* (1601), 9.

⁶ *Infra*, p. 266.

⁷ *Veneris* (1662), 34.

of one generation was handed on to the next and a corporate experience was built up: 'one day still being a schoolmaster unto the other' ¹. The antithesis of this 'seemly and orderly government' in trade was 'want of government', which, said Misselden, "openeth a gap and letteth in all sorts of unskilful and disorderly persons" ². No one, it was represented, would endure 'the strict duty and bondage' of apprenticeship, if an open licence 'to trade at large' were given to everyone ³; and the indiscriminate admission of all and sundry into foreign trade would be "an injury to them which have served, and hurt to them that serve not, who venturing unskilfully shall be sure of loss" ⁴. The argument is illustrated by the statement attributed to Raleigh ⁵ that the North and West Country merchants sent abroad inexperienced youths, who bought foreign goods dear on credit and sold native wares 'urgently' to pay for them, by which 'our home-bred commodities' were 'abased' in price; so that, 'when all customs and charges be accounted', their masters scarcely received back their capital.

The essence of a 'well ordered trade' was high prices; (ii.) *High prices.* and in the eyes of the Merchant Adventurers their most conspicuous merit was their achievement in advancing the price of English wares abroad ⁶. An Elizabethan critic charged the companies with 'confederating' at what prices they should buy and sell, whereby "they are become lords over all the commodities of this realm" ⁷. This allegation the Merchant Adventurers denied: they claimed that they bought and sold in competition with one another ⁸. Wheeler repudiated the suggestion of set prices. "I may boldly and with a good conscience affirm that" never "it was known or heard that any such matter of setting price was once mentioned in any court or assembly of the Company, neither

¹ Wheeler, *A Treatise of Commerce* (1601), 24-25.

² Misselden, *Free Trade* (1622), 85.

³ Parker, *Of a Free Trade* (1648), 15.

⁴ *House of Commons Journals*, i. 219.

⁵ Raleigh, *Works* (ed. 1829), viii. 367-368.

⁶ *State Papers Domestic*, 1598-1601, p. 204; Wheeler, *A Treatise of Commerce* (1601), 109; Misselden, *The Circle of Commerce* (1623), 32.

⁷ *Tudor Economic Documents* (ed. Tawney and Power), iii. 271-272.

⁸ Misselden, *Free Trade* (1622), 70.

indeed was there ever any such matter, but every man rather studieth to keep his feat and trade as secret to himself as he can for fear of his fellow, lest being espied it might be taken out of his hands" ¹. But there is evidence to show that, on some occasions at any rate, the Company did fix prices ²; and even if the practice were exceptional, it was able indirectly to ensure that prices were kept at a high level. The 'stint', the regulation of shipping, the 'show days', and the rules governing the transaction of business ³, were all designed to prevent the market from being overstocked and prices from falling. Yet there was not wanting, even in official quarters, some recognition that the policy of high prices defeated its own ends. In 1602 the governor of the Company wrote to Cecil: "It is not the great price of cloth that is good either for the customs or to set people on work, for the higher the price the less is sold; since our cloth has borne these great prices more cloth has been made in Germany than before" ⁴. The admission was noteworthy, for though it was not intended as a reflection on the policy of the Company ⁵, it shattered the pretensions on which the Merchant Adventurers had rested their principal claim to the nation's gratitude. The growth of competition—'all the world striving to engross all the trade they can' ⁶—gradually forced upon English merchants the conviction that they must make it the interest of other nations to trade with them by discarding the traditional policy of high prices ⁷.

(iii.) *Standard of quality.*

To 'uphold the price' of English wares in foreign markets was one object of commercial policy; the other, and its necessary corollary, was to uphold their 'estimation and goodness' ⁸. The unskilful and deceitful manufacture of

¹ *A Treatise of Commerce* (1601), 103.

² *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 122.

³ *Supra*, pp. 222 seq.

⁴ *State Papers Domestic*, 1601-1603, p. 160.

⁵ The writer, Hoddesdon, was replying to the criticism that the removal of the mart town from Stade to Middelburg had lowered prices.

⁶ Child, *A New Discourse of Trade* (4th ed.), 186-187.

⁷ *House of Commons Journals*, xiii. 145 (1700).

⁸ *Misselden, Free Trade* (1622), 85; *Veneris* (1662), 34.

cloth was the burden of repeated charges against the clothiers, who were accused of bringing discredit upon 'the drapery of our land' and of provoking foreign competition by making 'faulty and imperfect' cloth¹. The Company therefore assumed the duty of inspecting 'the true making' of cloth. It set itself to maintain a standard of quality by insisting on the exaction of forfeitures for defects²; and in 1616, and again in 1630, it approached the Privy Council for authority to send a commissioner to visit 'the clothing counties' and enforce the execution of the Statutes fixing the length, breadth and weight of woollen fabrics³. It was, in fact, one of the recognized functions of the companies to guarantee the standard of quality. When, in 1613, the complaint was made to the Privy Council 'of false and deceitful making, dressing and dyeing of cloth', it was referred to the trading societies as a matter within their province⁴. In this connexion an incident in the history of the French Company is significant. An interloper was charged with shipping faulty cloth to France. Summoned before the Privy Council, he stated that the cloth belonged to a member of the Company; the latter on examination confessed that he did not ship the cloth in his own name, "being assured that the Company would deny to give way to the entry of them in respect the said cloth was faulty and not shrunk according to the orders of the Company"⁵.

Abroad the Company had to bear the brunt of the complaints made by the buyers. In 1592, for example, articles were exhibited against the Merchant Adventurers in the name of the States General of the United Provinces, voicing the accusation that English cloth was "full of holes and narrower and shorter than it ought to be"⁶. The remedy

¹ *State Papers Domestic*, 1619-1623, p. 373.

² In 1613 it was ordained that a merchant in buying cloth should keep back 10s. on every cloth to make good any forfeitures allowed by Statute to the buyer for cloth which was faulty: *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 129.

³ *State Papers Domestic*, 1611-1618, p. 395; 1629-1631, p. 446; 1638-1639, p. 240. Two commissioners were appointed in 1630: Rymer, *Foedera*, xix. 213-214.

⁴ *Acts of the Privy Council*, 1613-1614, p. 208.

⁵ *Ibid.* 172, 222.

⁶ *State Papers Domestic*, 1591-1594, p. 242.

of the buyers was to make 'abatement' for faults, "so as the seller knoweth not what he is to have, when he hath sold his cloth" ¹. This was known as 'tare' ², and it was a constant source of irritation between the merchants and their foreign customers ³. Serious loss was sustained by the merchants, amounting in the early part of the seventeenth century to ten thousand pounds a year 'at least' in Holland alone ⁴. The States General issued an edict for 'taring' cloth at the houses of the buyers; and, when the Company insisted that 'tare' should be taken only at the mart town ⁵, they placed a ban on English cloth (1630), which resulted in the temporary retirement of the English merchants from the Low Countries ⁶. Another dispute occurred about 1634, when the Company shut up its warehouses for the greater part of the year ⁷. The Merchant Adventurers asserted that foreign buyers used the system unfairly: having tasted the sweetness of gain, they levied extortionate 'tares' upon true as well as upon faulty cloths, and the profit of the English merchants was often wiped out by the excessive abatements made upon the price of the cloth ⁸. Accordingly they sought to provide a remedy by ordering that no 'tares' should be allowed unless the buyer inspected the cloth in the presence of the seller, or the examination were made by 'good men' chosen by the parties, or by 'sworn visitors' appointed by the magistrate ⁹.

¹ *House of Commons Journals*, i. 689.

² Willsford, *The Scales of Commerce* (1660), 23.

³ "Here the trade is again at a stand for the old difference of tare": *Hist. MSS. Comm. Buccleuch*, i. 178 (1616).

⁴ *State Papers Domestic*, 1638-1639, p. 240; Misselden, *Free Trade* (1622), 95-96. Once cloth was exported, English merchants apparently could not make any claim upon the clothier for defects subsequently revealed in the cloth: *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 130.

⁵ Parker, *Of a Free Trade* (1648), 17. See *infra*, Appendix, p. 497, No. 3.

⁶ They kept the staple at Hamburg and Emden (1630): *State Papers Domestic*, 1629-1631, pp. 446-447; *Hist. MSS. Comm. Buccleuch*, i. 270. The complaint that 'tare' was taken outside the mart town was made in Parliament in 1624: *House of Commons Journals*, i. 780.

⁷ *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 47.

⁸ *State Papers Domestic*, 1629-1631, p. 447; *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 130-131.

⁹ *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 119, 131.

An important feature of a 'well ordered' trade was restriction of output. This was secured by several methods: the 'order of stint'; the regulation of shipping; and the confinement of trade to the mart towns. The nominal purpose of the 'stint'¹ was equality of opportunity. It was designed to ensure that "the benefit of our traffic may" be "distributed indifferently and by order among all", instead of 'the overgrown and great-pursed merchant' carrying away 'the living and trade of young beginners' and men of 'lower estates'². The argument that it prevented the monopoly of trade falling into the hands of a few accorded with mediaeval ideas, and its force was not yet spent in the seventeenth century. Thus an apologist for the Company wrote in 1648: "We know well that 'tis possible for some one merchant to exceed forty others in purse or credit; yet sure it cannot be expedient for the commonwealth that one merchant should grasp too much and swell up to an excessive bulk, whilst forty other merchants being overshadowed by him can attain to no growth at all"³. The policy was disliked by the clothiers, who believed that it restricted artificially their market abroad. To meet their objections it was argued that the 'stint' did not injure the manufacturers, because the quantity which it fixed exceeded the amount which the Company actually exported. Wheeler estimated in 1601 that the members shipped abroad only half the total to which they were entitled under their quotas; and nearly half a century later Parker represented that "the fourth part of our merchants scarce ever buys to the fourth part of the cloth" allowed by the 'stint'⁴. In short the purpose of

¹ On the 'stint', see *supra*, p. 224.

² *State Papers Foreign*, 1581-1582, p. 197; *Veneris* (1662), 4; Wheeler, *A Treatise of Commerce* (1601), 57, 104.

³ Parker, *Of a Free Trade* (1648), 22-23. Cf. the following decree passed at a general court in London (1620): "Upon complaint made by the young men, that some great traders do buy up such quantities of cloths weekly that the young men cannot get cloth for their money, it was ordered that whosoever shall hereafter ship more than his respective stint, he shall pay double impositions and double imprest for all that he shall so ship": *The Lawes, Customes and Ordinances of the Fellowshippe of Merchantes Adventurers*, 135.

⁴ Wheeler, *A Treatise of Commerce* (1601), 57; Parker, *Of a Free Trade* (1648), 22-23.

the 'stint' was not to make 'trade more scarce', but it was itself a remedy against 'the scarcity of trade' by a fair partition of the market among the members. Those who see "how the husbandman in dressing his vine makes it more fruitful by paring away the luxuriant products of its fertility, will easily judge by these stints that the merchants were grown too numerous for their trade, and not that their trade was grown too copious for their managing" ¹. The argument, however, was open to the criticism that if many merchants failed to dispose of their allotted quota there was less justification for restricting the rest. The 'stint' was abandoned in 1618 in respect of cloths dyed and dressed, kersies and all new draperies ²; it was still retained for white cloth as late as 1648, but according to a statement of the Company in 1662 it was no longer in operation at that date ³.

Regulation
of
shipping.

It is evident that the 'stint', apart from any effects it may have had in curbing the 'overgrown merchant', tended to keep prices high in foreign markets. The regulation of shipping produced a similar result, though here again other motives were contributory, since if the individual merchant had been free to ship his goods as he pleased the Company would have been unable to exercise any control or supervision. There were appointed seasons for shipping ⁴ according to the state of the market abroad, and members were restricted to the ships chartered by the Company when these were available. In defence of this policy it was represented that it fostered native shipping; that "by our regularity in shipping many fraudulent attempts of such as use to steal customs, bribe searchers, colour strangers' goods, etc., are disappointed"; that "whilst we ship our goods hand in

¹ Parker, *Of a Free Trade* (1648), 23.

² *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 135.

³ *Veneris* (1662), 4. In a document in *State Papers Domestic*, Addenda, 1625-1649, p. 488, which the editors of the Calendar query as dated 1634, the Company stated that "their ancient order of stint has not been in use for the last twenty years". Assuming the document is correctly dated, the order must have been reintroduced after the Company was restored to its full privileges in 1634 (*infra*, p. 263), since Parker, writing in 1648, admits its existence: *Of a Free Trade*, 22.

⁴ *Supra*, p. 223.

hand together we go stronger through the seas, are in less fear of rovers and other dangers"; that "we are less injurious to our common trade . . . inasmuch as now we forestall not one another, nor bring down our common prices by the precipitate haste of some few"; that foreign buyers enjoy the certainty of "knowing in due season when to repair to our marts, and . . . we know when to sell and when to forbear selling, and thereby we keep our commodities from being blown upon, either by having our warehouses too full at some times or too empty at others" ¹. The regulations relating to 'show days', credit, bills, etc., which were mentioned above ², also served the same purpose of maintaining 'order' in trade and, incidentally, keeping prices at a high level.

The keystone of the fabric was the system of 'mart' or 'staple' towns. The Merchant Adventurers, as we have seen ³, restricted their trade beyond the seas to a single market in each of the two countries, Holland and Germany, comprised within their sphere of jurisdiction—in order, as they said, 'to maintain the treaties' and 'to uphold the esteem and price' of their wares ⁴. Their privileged position abroad manifestly depended upon the confinement of trade to one or two chosen centres: it was the price which the mart town, jealous of trade carried on elsewhere ⁵, was willing to pay to gain the lucrative monopoly of their traffic. Moreover the whole structure of a 'well ordered trade' would have soon collapsed, if the trade had not been carried on under the immediate inspection of the Company's officials. None the less the system of mart towns was bitterly assailed by the enemies of the Company, who demanded the right to trade in any part of the country and to deal direct with retailers. They wished to intercept the profits which passed to the foreign merchants, by selling to retailers who were now furnished 'at the second or third hand' ⁶. The controversy between the Merchant Adventurers and the inter-

¹ Parker, *Of a Free Trade* (1648), 16-17.

² *Supra*, pp. 224-225.

³ *Supra*, p. 211.

⁴ *Veneris* (1662), 34.

⁵ Cf. the complaint of Emden: *State Papers Foreign*, 1579-1580, p. 103.

⁶ *Veneris* (1662), 33; *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 37.

lopers was thus narrowed down to the crucial question whether trade should be left free to find its own channel. In favour of the staple system it was contended that if every port and creek were plied day by day with imported cloth it would not add to the quantity which the country needed ; that all nations resorted to the mart town since traders had the best choice there ¹ ; that if cloth were ' prostituted ' at his door the buyer would always have the advantage over the seller—" There is twenty in the hundred difference ", the merchant's proverb ran, " between ' will you buy ? ' and ' will you sell ? ' " ²—and he would buy only from hand to hand, thus casting upon the importer the whole loss arising from want of quick sale, changes of fashion, ' decay in colour ', and ' the perishing of cloth ' ; that the ' grocer ' ³ was the best ' chapman ' because he bought large quantities at a time ; and lastly, that where the staple was held foreign commodities were most readily accessible owing to the concourse of merchants from the Low Countries, Germany, Italy and the Baltic ⁴. In the judgment of the Merchant Adventurers, ' rambling about the country ' in what was termed a ' loose and straggling trade ', carrying cloth to the buyer's own door and conducting business after the manner of ' petty shopkeepers ' and pedlars, was ' unmerchant-like ' and inconsistent with the dignity of merchant princes : it also turned the goodwill of the native merchants into enmity against the English interest ⁵.

The
antithesis
of a ' well
ordered
trade '.

An example of a ' loose and straggling trade ' is given by Wheeler to point the moral and adorn the tale of his own *Treatise* on the ' commodities arising by a well ordered and ruled trade '. He relates that the English had a profitable trade at Narva until " a number of straggling merchants resorting thither out of this realm the trade was utterly spoiled, insomuch that many of them went about the town with cloth upon their arms and measures in their hands ", and by this ' pedlar-like kind of dealing ' made " vile the

¹ Malynes, *The Maintenance of Free Trade* (1622), 65 ; Veneris (1662), 25. ² Wheeler, *A Treatise of Commerce* (1601), 51.

³ Wholesale dealer. ⁴ Veneris (1662), 25-26.

⁵ *State Papers Foreign*, 1579-1580, p. 103 ; *State Papers Domestic*, 1650, pp. 21-22 ; Veneris (1662), 24-25 ; *Hist. MSS. Comm. Salisbury*, vii. 543-544.

principalest commodity of the realm " ¹. Beneath the Company's solicitude for the ' casting away the commodities of the realm ' at ' vile and base prices ' ², lay its anxiety at being undersold by unlicensed competitors. Naturally enough, therefore, the interlopers turned a deaf ear to the Company's protestations. They relied upon a more powerful argument in their plea for free trade—the growing competition of other countries and especially of the Dutch. There was no way, they contended, to check this competition and prevent other nations making cloth, but by selling our own at cheaper rates and dispersing it ' up and down the country ' ³. The logic of facts was thus bringing about a new situation. The doctrine that nothing " conduceth more to the enlargement of selling any commodity than cheapness " ⁴, was a challenge to that traditional commercial policy of which the Merchant Adventurers were the depositaries: and its gradual acceptance marked a fresh stage in the development of international trade.

Finally, the Company pointed with pride to its record of public service. It had advanced the art of navigation, since it " employed and bred up many worthy masters of ships and mariners, and built many tall, warlike and serviceable ships ", one hundred and fifty tons ' at least ' and all ready at hand ' for the State's service on all occasions ' ⁵. These were complacently contrasted with the small vessels employed by the individual merchant " to serve his turn for small quantities of wares, and fit to fly or run away if he should chance to meet with the enemy, and yet he is many times snapped up and made a prey to Dunkirkers and other sea-rovers " ⁶. The Company had also lent money to the Crown, using its credit abroad to raise loans in the Low

III. *The Company's public services.*

¹ Wheeler, *A Treatise of Commerce* (1601), 55.

² *Ibid.* 52.

³ *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 38.

⁴ *Ibid.* 49.

⁵ *State Papers Domestic*, 1601–1603, p. 160; Kayll, *The Trades Increase* (1615), 25; Misselden, *Free Trade* (1622), 76.

⁶ Wheeler, *A Treatise of Commerce* (1601), 59. The Company's complacency was not universally shared, for scornful reference was sometimes made to " these two-day voyages twice a year where every pedlar may practise, whereby there is scant either a good mariner made or a good ship maintained ": *Hist. MSS. Comm. Pepys*, 39.

Countries and Germany ¹. Elizabeth, for example, borrowed thirty thousand pounds shortly after her accession ², and she employed the Company in transactions connected with the foreign exchanges ³: her successors were similarly indebted to it. And the Merchant Adventurers claimed the credit of other services rendered to the State. They were instrumental in destroying the privileged position of the Hansards in England ⁴: they manipulated the exchanges so as to delay the sailing of the Armada for a year ⁵: they strengthened the hands of the Government in its diplomacy, because the withdrawal of the merchants in a body from the mart town was an effective method of exercising pressure ⁶: they were the channel through which the administration was kept in touch with the state of English trade abroad, informed of its decay or obstruction, and advised as to the remedy: and when the export of wool was forbidden they took special pains to enforce the prohibition ⁷. They laid particular stress upon the prevention of frauds in the customs ⁸, goods being carried in ships chartered by the Company and under the inspection of its officials; whereas in an open trade commodities would be exported from outports and creeks by non-freemen without being entered for customs ⁹. In this lengthy enumeration of its claims to the gratitude of the nation the fellowship did not omit to include also acts of 'piety and charity', including the foundation of chapels, the provision made for distressed soldiers and mariners, and scholarships at the Universities ¹⁰; nor the fact that in

¹ *House of Commons Journals*, i. 221; *State Papers Domestic*, 1652-1653, p. 136; Burgon, *Life of Gresham*, i. 350-353; Wheeler, *A Treatise of Commerce* (1601), 109; Bland, *Trade Revived* (1659), 4.

² In 1560. (The money was promised for a year at 10 per cent.): *York Merchant Adventurers*, 162.

³ *State Papers Domestic*, 1591-1594, p. 537.

⁴ *Supra*, p. 214.

⁵ *Supra*, vol. i. 582.

⁶ *Ibid.* 587.

⁷ *Veneris* (1662), 34. The royal agent in the Low Countries was sometimes the governor of the Company.

⁸ The customs officials resented Wheeler's 'aspersions' upon the 'customers of the outports': Milles, *The Customers Replie* (1604), Epistle Dedicatory.

⁹ *State Papers Domestic*, 1601-1603, p. 164; 1650, p. 22; Wheeler, *A Treatise of Commerce* (1601), 60.

¹⁰ Wheeler, *A Treatise of Commerce* (1601), 111; *York Merchant Adventurers*, 191 ('Our Company beyond sea do allow unto certain scholars some annuity towards help in the University').

times of commercial crisis it had come to the assistance of the manufacturers by continuing to buy cloth, although there was a stoppage of trade abroad ¹.

The critics of the Merchant Adventurers were not disinterested, but the fact that their attack was prompted by self-interest does not rule out of court the case which they presented against the Company. Their criticisms must be considered on their own merits no less than the pleas advanced in defence of the Company, which were equally one-sided. The arguments used by either party reflected genuine, if conflicting, currents of opinion: they would not have been employed if they had been completely out of touch with national sentiment: and they remain important even though particular advocates on each side can be proved guilty of insincerity or inconsistency ². A formidable attack was made upon the Company in the famous Report on Free Trade drawn up by a committee of the House of Commons in 1604 ³, which declared that "this Company, being the spring of all monopolies and engrossing the grand staple commodities of cloth into so few men's hands, deserves least favour" ⁴. The West Country merchants, and in particular those of Exeter, were especially distinguished for the pertinacity with which they pressed the claims of the interloper ⁵.

Foremost among the 'weighty reasons for the enlargement of trade' was the argument that the Fellowship of Merchant Adventurers constituted a 'fraternity of engrossers' ⁶. Nominally the membership numbered several thousands ⁷, apprentices included, but the government of the Company, said its enemies, was so ordered that the bulk of the trade was handled by a small coterie which did not

¹ *State Papers Domestic*, 1638-1639, p. 246.

² Sandys's plea of natural liberty in 1604 has been regarded as 'reprehensible hypocrisy': Scott, *Joint-Stock Companies*, i. 453.

³ *House of Commons Journals*, i. 218 seq.

⁴ *Ibid.* i. 221.

⁵ The case against the Company is given in *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645); and in *Veneris* (1662)—see *supra*, p. 229, note 3.

⁶ *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 18.

⁷ *Supra*, p. 226.

exceed two hundred ¹. As a monopoly—and the term could be “fitly extended to all disproportionable paucity of the sellers in regard of the ware which is sold” ²—the Company was ‘repugnant to the law of nature, the law of nations, and the positive law of the land’ ³. It was repugnant to the law of nature, because “all free subjects are born inheritable . . . to the free exercise of their industry”: it was repugnant to the law of nations, since other countries “avoid in themselves and hate in us this monopolizing way of traffic”: and it was repugnant to the positive law of the land as embodied in the Statute of 1497 and other enactments. The mischief produced by this monopoly was testified by “the cry of all the clothiers of England. . . . For the clothiers having no utterance of their cloth but to the Merchant Adventurers, they by complot among themselves will buy at what time, what quantity and what price themselves list” ⁴.

*Arguments
for an open
trade.*

Other arguments supported the case for a free or open trade. In the first place, it would promote the more equal distribution of wealth between London and the provinces, and the stability and strength of a nation “consist in the riches of many subjects, not of a few” ⁵. This argument voiced the provincial jealousy of London, on which something will be said later ⁶; and its concrete application is seen in the complaint of the West Country clothiers that they were forced to send their cloth to London, and so incurred the expense of carriage and factorage ‘besides the Company’s exactions’ ⁷. Secondly, it was contended that an open trade was ‘the breeder and maintainer of ships and mariners’, and that it augmented the revenue of the Crown since an increase of customs and subsidy “doth necessarily follow the increase of foreign traffic”. Thirdly, the removal of re-

¹ *House of Commons Journals*, i. 219 (1604).

² *Ibid.*

³ *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 4; *Veneris* (1662), 6-8.

⁴ *House of Commons Journals*, i. 218-219. Similarly: Malynes, *The Maintenance of Free Trade* (1622), 54; *Veneris* (1662), 6-8. For the Statute of 1497, see *supra*, p. 216.

⁵ *House of Commons Journals*, i. 218; *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 22.

⁶ *Infra*, p. 249.

⁷ *Veneris* (1662), 15. This was denied: *infra*, p. 251.

straints on trade would provide an occupation for younger sons "who cannot live by arms when there are no wars"¹. Fourthly, the Company exercised an unlimited power of making ordinances, which were "wholly destructive to the general trade of this kingdom and a great discouragement for any young merchant to enter into their society". It imposed on members "extravagant oaths binding them to a most servile obedience"; limited them to certain ships, which raised freights; allowed only three shippings in the year, which forced young merchants to stake all their capital on a few voyages and caused commodities to lie on their hands unsold; confined traders to the mart towns; and laid excessive impositions and tolls upon goods, 'near as much as the King's customs', which "hinders the cheapness of our commodities" abroad and encouraged foreign competition². Lastly, the privileges of the Company were granted in the infancy of trade "to incite people to the increase and improvement of it". They were no longer appropriate in an age when commerce had attained its present 'height of perfection', the more so since the trade was so near home; and though the fellowship arrogated to itself the name of Merchant Adventurers "there are none that deserve it less, their hazard being so small and their voyage so short"³.

The positive arguments in favour of an open trade were reinforced by a demonstration that the benefits attributed to the Company were illusory. The claim that it kept up the price of commodities abroad by not overstocking the market was warmly debated. Sometimes the advance in prices was ascribed to other causes—the changes in the value of money due to the discovery of the American mines; the rise in rents; the dearness of victuals "which rise still with the increase of people"; and the increased demand for cloth abroad⁴. At other times the claim of the Company was not contested but it was seized upon as a confession of an

¹ *House of Commons Journals*, 1. 218-219.

² *Veneris* (1662), 17-24; *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 29-38.

³ *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 6, 22.

⁴ *Ibid.* 23.

oppressive monopoly; detrimental to our oversea trade and "the cause that our merchants are so generally hated". Moreover, if the Company kept up the price of English commodities abroad, the same skill and policy would serve to keep up the price of foreign commodities at home—to say nothing of the fact that "upon the arrival of the Merchant Adventurers' fleet the commodities on the other side are ordinarily raised at least twenty in the hundred, for so do" foreign dealers "quit one wrong with another"¹. This was probably nearer the truth than the Company's contention that the paucity of buyers enabled it to buy goods cheaper abroad and so sell them cheaper at home: in an open trade native commodities would command a higher price and foreign commodities a lower price, because there would be more English buyers of the one and more English sellers of the other². As to the argument that the price of our goods abroad would fall if trade were thrown open, since foreign markets would be overstocked, the fear was considered ill-founded. "The merchants must first buy their commodities at home and where many buyers are wares will grow dearer³; and buying dear at home they must sell dear abroad. For it is not true that there will be greater glut of our commodities in foreign parts; the sellers will be more but the wares sold will be much the same. . . . It is the store of the merchandise, not the multitude of merchants, which doth make things cheaper". Besides, when trade was free, it was to be expected that 'active and industrious spirits' would seek out fresh places, make quicker returns, and 'wind the penny sooner', so that the danger of an overstocked market would be minimized⁴. The apprehension that an open trade in cloth would lower the standard of quality and 'debase the commodity' was dismissed as "very light—experience, the mother of wisdom, showing the con-

¹ *House of Commons Journals*, i. 219.

² Fortrey, *England's Interest and Improvement* (1663), 40-41. Similar arguments were used in the sixteenth century: *Tudor Economic Documents* (ed. Tawney and Power), iiii. 268-269.

³ Wheeler had denied this: *A Treatise of Commerce* (1601), 56.

⁴ *House of Commons Journals*, i. 219; *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 25-27; Johnson, *A Plea for Free Men's Liberties* (1646).

trary" ¹. The assertion that the companies "do vent all the commodities of the land and yet are they hardly able to live one by another", called forth the reply that nothing conduced more to the improvement of trade than 'multitude of merchants', whereas the restraint of trade was 'a mighty discouragement to the invention of new manufactures' ². And the plea that the Company protected merchants abroad was "easily answered, for there is always an English ambassador or other minister of state resident . . . unto whom recourse may be had upon all occasions of complaint" ³.

The most serious charge brought against the Company was its financial exactions, which provided the 'free traders' with a formidable weapon. A resolution of the House of Commons in 1624 voiced the general resentment when it declared that "the imprest money set by the Merchant Adventurers upon cloth is unlawful, unjust and a grievance to the people" ⁴. The impositions were levied for three purposes: to defray the charge of the government of the Company—'six several residencies, and courts abroad and at home' ⁵; to pay composition money for licence to export undressed cloth—this apparently amounted to £4000 a year ⁶; to meet the interest on debts incurred as a result of gifts to James I., who is said to have received £50,000 when the Company was restored to its privileges after the failure of Cockayne's experiment ⁷, and loans to Charles I. and the Long Parliament—these debts exceeded £36,000 in 1624 and £75,000 in 1664 ⁸. The Company, in its defence, affirmed that the imposition on cloth only amounted to about one

¹ *House of Commons Journals*, i. 780 (1624).

² *Ibid.* i. 219; *Veneris* (1662), 9, 16.

³ *Veneris* (1662), Appendix: "The Interlopers' Answer".

⁴ *House of Commons Journals*, i. 695, 773, 781. Similarly: Stowe MSS. 554, f. 45, and 354, f. 65; Misselden, *Free Trade* (1622), 50. For the amount of the imposition, see *supra*, p. 225, note 5. Those of a provincial branch are printed in *Newcastle Merchant Adventurers*, i. 57 seq.

⁵ *Veneris* (1662), 21; Parker, *Of a Free Trade* (1648), 32.

⁶ *House of Commons Journals*, i. 698, 780. See *infra*, vol. iii. 384.

⁷ *State Papers Domestic*, 1611-1618, p. 514; 1619-1623, p. 373. See also *infra*, vol. iii. 381. For Cockayne's experiment, see *infra*, vol. iii. 374 seq.

⁸ *House of Commons Journals*, i. 698 (1624). *State Papers Domestic*, 1664-1665, p. 110; 1678, p. 208. The figure is given at £80,000 in a petition of the creditors to the House of Commons: *Newcastle Merchant Adventurers*, ii. 116 (1664).

per cent. of its value¹, while in return the members were exempt from payment of customs abroad and their goods went under convoy. This, it was claimed, was worth 3 per cent. to the members², and therefore the Company was profitable to the nation. The calculation appears, however, unduly favourable. The Company is said to have raised from 1616 to 1641 'as it hath been extracted out of their own ledger books' £182,295³, an average of over £7000 a year. In addition it received duties 'beyond the sea': the amount is not stated but it was probably not much less⁴. Now in the Parliament of 1624 the Company's privileges were valued by its own advocate at £13,000 or £14,000 a year⁵. Assuming this was a normal figure the inference would seem to be that it cost the Merchant Adventurers, despite their assertions to the contrary, nearly as much to preserve the privileges enjoyed abroad as they were worth. The ultimate loss was borne, not by the Company which still had the profits of its monopoly, but by the manufacturers. The imposition placed on cloth raised the price abroad, so that the merchants were prevented from taking advantage of their immunity from toll to sell cheaply and extend their sales. This affected the foreign demand and stimulated Dutch competition, which in turn reacted adversely upon English producers. The sole benefit accrued to the King and his courtiers upon whom were lavished bribes, for which the impositions went to pay⁶. The financial difficulties of the Company were not necessarily due to mismanagement; its resources were strained in the effort to maintain a monopoly which lacked parliamentary sanction; and the levy of impositions alone saved it from insolvency⁷.

Although the victory of the interlopers registered a stage

¹ *Veneris* (1662), 22.

² *Ibid.* 23.

³ *Ibid.* 21.

⁴ The cloth exports amounted to £1,000,000 in 1601 (*supra*, p. 228). Allowing for a subsequent increase in the exports, the Company's exaction of 'about one per cent.' would easily produce £13,000.

⁵ *House of Commons Journals*, i. 698, 784.

⁶ Even the King suffered ultimately from a diminution of the customs revenue.

⁷ "If the imposts cease, [the loans] will be called in and the Company utterly ruined, rather than which they would surrender their charter": *State Papers Domestic*, 1619-1623, p. 373. See also *Hist. MSS. Comm.* ix. part ii. 47.

in the growth of free trade, using the term as it was then commonly employed¹, their own standpoint was not so different as their arguments might suggest. They did not advocate carrying on trade 'without conduct and order'. "We desire still a government" was the significant admission made on their behalf²; and their hostility towards the Merchant Adventurers was inspired more by animus against the merchants of London, who monopolized 'the whole mass and bulk of the trade of England', than by any devotion to the abstract doctrine of economic freedom. In short the driving force behind the attack upon the companies was provincial jealousy of London. The opposition, it is true, was not confined to the provinces. At the time when the Bill for Free Trade was introduced into the House of Commons in 1604 it was said that "all the merchants of England complained grievously of the engrossing and restraint of trade by the rich merchants of London . . . and of London merchants three parts joined in the same complaint"³. But though his voice was sometimes heard⁴, the London interloper usually kept in the background, and the provinces bore the brunt of the contest. The stronghold of the interlopers lay in the West Country, and the movement for free trade in its origin sprang from the determination of the provinces to shake off the economic ascendancy of the metropolis^{4a}.

In the sixteenth and seventeenth centuries London dominated the kingdom. Embracing about one-tenth of the whole population⁵, it had about eight-tenths of the foreign trade

Driving force behind the attack upon the companies

Dominating position of London.

¹ I.e. a trade open to all. For other uses of the term, see *infra*, vol. iii. 17, note 4.

² Kayll, *The Trades Increase* (1615), 55-56; Stowe MSS. 554, f. 45 (1622); *A Discourse consisting of Motives for the Enlargement and Freedom of Trade* (1645), 25; *Britannia Linguens* (1680), 135 (in sect. vi.).

³ *House of Commons Journals*, i. 218, 220.

⁴ The London interlopers came out in open opposition in 1676; *State Papers Domestic*, 1676-1677, p. 52. They are also mentioned in 1621; *Hist. MSS. Comm. Rye*, 160.

^{4a} For internal free trade, see *supra*, Introduction, pp. xlviii-l.

⁵ The Venetian ambassador estimated the population in 1557 at 185,000; *State Papers Venetian*, 1556-1557, p. 1045. In 1631 the lord mayor certified the Privy Council that the City and Liberties contained 130,280 men, women and children; *Remembrancia of the City of London*, 389; Petty, *Economic Writings*, ii. 405-406. (But he also certified that 5000 qrs. of wheat per month were sufficient to serve their needs. Cf. the estimate made in 1574; *infra*, p. 437.) Petty in 1687 estimated the population of London at 696,000, or 10 per cent. of the whole; *Economic Writings*, ii. 539, 603.

[*contd.*]

of England. It was estimated in 1602 that the customs paid by London averaged £69,803, and those of the outports £17,726¹: at the end of the seventeenth century Davenant assumed a proportion of £1,268,095 to £346,081². As regards shipping, a return made in 1572 shows that London had one merchant ship of 240 tons, seventeen others varying from 220 to 150 tons, and thirty-one from 140 to 100 tons, while Bristol, which ranked as the second seaport, had one ship of 140 tons, three of 100 tons, and forty of 80 to 20 tons³. The tentacles of the metropolis stretched out in all directions, and the provinces appeared at one time likely to become nothing more than a vast hinterland, their resources exploited—their economic life directed and controlled—by London capitalists, and their wealth drained away to a common centre. The 'Industrial Revolution' ultimately redressed the balance, but long before the introduction of machinery the movement had been checked⁴ owing to the resolution of the provinces not to be submerged in the economic centralization which at one time menaced their economic freedom. It is this resistance which gives fresh significance to the struggle against the chartered companies.

Already in the middle of the sixteenth century the Venetian envoy remarked on the 'great multitude of people'

King's estimate (c. 1688) was 530,000: Davenant, *Works* (ed. 1771), ii. 180. Rickman calculated the population of London at 674,000 in 1700: *Comparative Account of the Population of Great Britain* (Census Returns, 1831), 12. The table in Gras, *The Evolution of the English Corn Market*, 75, gives London's percentage of the whole population at 5.6 (1605), 7.6 (1634), 9.2 (1661), 9.6 (1696). Norton, *Commentaries on the City of London* (1829), 531-541, estimated the population of London at 232,000 in 1603, and at 285,000 in 1625. Wilson, *The Plague in Shakespeare's London*, 209-215, calculates that the population did not exceed 250,000 in 1603, and 320,000 in 1625. See also George, *London Life in the Eighteenth Century*, 24-27, 329-330, 412-414. Jones and Judges, "London Population in the Late Seventeenth Century", in *The Economic History Review*, vi. No. 1, 45 seq. On the population of England, see *infra*, vol. iii. 165, note 6.

¹ *State Papers Domestic*, 1601-1603, p. 267.

² Davenant, *Works* (ed. 1771), v. 352. Cf. the table in Gras, *op. cit.* 74. See *infra*, Appendix, p. 494, No. 6.

³ Latimer, *Merchant Venturers of Bristol*, 57-58. Liverpool in 1565 had twelve vessels, the largest 40 tons burden, the smallest 6 tons: *Liverpool Municipal Records* (ed. Picton), i. 90; Fox Bourne, *English Merchants*, 298-299.

⁴ In 1739 it was said that not one seaport "is without adventurers who export considerably": Smith, *Chronicon Rusticum-Commerciale* (ed. 1747), ii. 314. For the trade of the ports, see Willan, *The English Coasting Trade*, chapters 8-10.

flocking to London¹; and the apprehensions which the growth of the capital excited were reflected in the repeated attempts to prevent the erection of new buildings². An Elizabethan writer complained that London "hath eaten up all the rest of the towns and havens of England"³; and James I., in a speech in the Star Chamber, declared that "with time England will only be London"⁴. A debate in the House of Commons in 1621 voiced the complaint that "London engrosseth all trades and places", and that "London merchants by restraining trade, and imposing upon trade, undo all trade"⁵. A succession of writers, including Petty, gave utterance to the view that "the head was too big for the body"⁶, though Defoe contested the view that the capital drew away the nourishment from the country⁷. The fact that London was the seat of the companies made it the market for the whole kingdom: it made the metropolis rich and the outports poor. "We are undone", they said, "by patents granted to companies"⁸. The controversy over the disposal of West Country cloth showed the dominating position of the capital. The Merchant Adventurers denied that they prevented the export of cloth direct from the western ports, yet this was not always true, for in 1638 they demanded that Spanish cloth made in the West of England should be shipped from London only. On this occasion the Privy Council, reluctant 'to shut up the trade of the outports altogether', promoted an arrangement by which the merchants of Exeter could ship Spanish

*Growth of
London.*

¹ *State Papers Venetian*, 1534-1554, p. 344 (1551).

² *Statutes*, iv. part ii. 852 (1593); Rymer, *Foedera*, xvi. 448 (1602).

³ *Tudor Economic Documents* (ed. Tawney and Power), iii. 274.

"Engrossed all their trades", noted Burghley: *ibid.* ii. 127.

⁴ *His Majesties Speech in the Starre-Chamber* (1616).

⁵ *House of Commons Journals*, i. 591-592.

⁶ Petty, *Economic Writings*, i. 40; ii. 321; *The Grand Concern of England explained in Several Proposals* (1673), 4. The interlopers spoke of London as 'the spleen in the natural body' causing other parts to pine away: *Veneris* (1662), Appendix: "The Interlopers' Answer". See also J. B., *An Account of the French Usurpation upon the Trade of England* (1679), 17, and Davenant, *Works* (ed. 1771), i. 59.

⁷ Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 129.

⁸ *House of Commons Journals*, i. 579 (1621); Malynes, *The Maintenance of Free Trade* (1622), 52.

cloth made in Devon direct to the Continent ¹. Moreover, the Merchant Adventurers enjoyed an almost complete monopoly of the licence to export white unfinished cloth ²; and in any case the principal merchants, in whose hands the cloth trade with Germany and the Low Countries was mainly concentrated, resided in London, so that the clothiers were obliged to send their cloth thither in spite of "land carriages some of which are so long that they are as chargeable as a voyage to Spain or Turkey, quantity for quantity" ³. London had another advantage over the outports. As the warehouse of the nation it was stocked with a great variety of commodities and could therefore freight ships with assorted cargoes suitable for different countries; and the West Country itself was constrained to obtain masts, tar and other naval stores from London ⁴.

*London
capitalists
invade the
provinces.*

Two examples, Bristol and Shrewsbury, will throw light upon the efforts of London capitalists to entrench themselves in provincial centres and to make London the focus of the economic activities of the kingdom. Bristol, the second seaport of the realm, formerly possessed a prosperous trade with southern Europe. At the end of the sixteenth century the city had fallen on evil days. The trade with the Straits had come to be monopolized by London companies, which forced Bristol merchants to pay heavily for the privilege of trading there, and so enriched themselves 'with our labour and adventure'. London capitalists also invaded the clothing counties of which Bristol regarded itself as the natural port; and by giving credit 'which their riches may bear', and offering easy rates for the carriage of goods, they drew away the customers of Bristol within ten miles of the city, so that Bristol traders were driven out of the local as well as the foreign market. The war with Spain accentuated their

¹ *State Papers Domestic*, 1637-1638, pp. 164, 176.

² See *infra*, vol. iii. 376.

³ *Britannia Languens* (1680), 146 (in sect. vi.); Coke, *Treatise* (1675), iii. 34, 61 ("What reason is there" for Norwich and Colchester manufactures and western cloths to be "brought up to London, and then, by a navigation twice as dear as from our western and southern ports, vended in Spain and Portugal?").

⁴ Coke, *Treatise* (1675), iii. 54, 57; *House of Commons Journals*, i.^o 672, 717 (1624).

difficulties, and from twenty or thirty 'tall' ships they were reduced to eight or ten small vessels ; and they apprehended the loss even of these since London, " having infinitely increased by our and others' ruin, possesses almost the only trade " ¹. They entreated Elizabeth that " the Londoners may be commanded to receive us into a community of trade ", and in the next reign they again vented their indignation against the metropolis which took away their trade : " As if ", they wrote, " God had no sons to whom He gave the benefit of the earth but in London " ².

In the case of Shrewsbury the issue between the metro-^{Efforts to establish a national market.}polis and the provinces was raised in another form. On this occasion London capitalists did not seek to establish a monopoly in a foreign market, but to break down an existing monopoly in the home market. Under the mediaeval economic system there was a tendency for a particular town to serve as the privileged centre of a producing area, for the sale of whose products it was the natural market. This tendency was now being increasingly challenged by the desire of London capitalists to ignore local demarcations, and create a national market in which all dealers met on a similar footing. The fact that London was identified with the movement towards free trade at home, while it pursued the opposite policy abroad, warns us not to look for any explanation of its conduct but that of opportunism. The story is unfolded in a series of petitions to the Privy Council. The drapers of Shrewsbury, Oswestry and Whitchurch stated that they were accustomed to buy Welsh cloth at Oswestry market, after which they dressed and dyed it, and then sent it to Blackwell Hall where it was bought by the merchants for sale in England and France. They complained that London merchants carrying on trade with France went into North Wales, bought up the cloth, and shipped it abroad. The Privy Council decided (1613) that the London merchants must buy Welsh cloth at Blackwell Hall. Its decision was prompted partly by the traditional principle of ' one man one trade '—merchants and drapers ought not to encroach on each other's occupation nor attempt to ' embrace the whole

¹ Latimer, *Merchant Venturers of Bristol*, 60 seq. (1595). ² *Ibid.* 144.

gain of both the trades'; and partly it was inspired by fear of the social consequences entailed in diverting the course of trade from its normal channels—it would either throw out of employment the local cloth-workers who dressed the cloth or force them to migrate to other districts. The Shrewsbury drapers seized the opportunity afforded them by this decision to appropriate the whole trade in Welsh cloth to members of their corporation, and to exclude all other inhabitants in Shrewsbury from a share in the trade¹. Eventually different views prevailed. The Privy Council rescinded its decision in 1621; and three years later an Act confirmed the right of free trade in Welsh cloth².

*The
economic
independ-
ence of the
provinces
at stake.*

The organization of foreign trade on the basis of chartered companies served to focus, and to some extent to obscure, the conflict between London and the provinces. It is evident that if there had been no companies London, as the wealthiest city in the kingdom, would still have taken the leading share in foreign trade, and the jealousy of the out-ports would have found expression in other directions. The struggle over the companies, while it involved in its sequel fundamental issues of free trade, drew its vitality from the efforts of the provinces to maintain an independent economic existence, and not from doctrinaire appeals to natural right. This hypothesis is strengthened when we examine the relations which prevailed between the London Company and the provincial branches. The Merchant Adventurers were not confined to London: "The Fellowship account it their honour . . . that they are no Company of one city, town or borough, but a national corporation . . . dispersed all over the kingdom"³. They embraced York, Hull, Newcastle,

¹ The privilege of buying and selling Welsh cloth at Shrewsbury had been confined to members of the Drapers' Company by the Act of 1566, but the Act was repealed in 1572, and 'all other inhabitants' of Shrewsbury were admitted to the trade: *Statutes*, iv. part i. 489, 603. See *infra*, Appendix, p. 498, No. 1.

² *Acts of the Privy Council*, 1613-1614, pp. 9, 34-40, 51, 198, 310, 351; *State Papers Domestic*, 1619-1623, p. 274; *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1314; *Statutes*, iv. part ii. 1218. "At the last convention of Parliament [1621] . . . a bill passed both Houses whereby . . . the trade [was] left free without any restrictions to persons or places"; this occasioned an order of the Privy Council "for setting the trade altogether free"; *Acts of the Privy Council*, 1621-1623, p. 264. See also *ibid.* 1619-1621, pp. 56-59, 129, 396.

³ *Veneris* (1662), 2.

Lynn, Norwich, Ipswich, Exeter and Southampton, among other ports¹; but some of the local bodies had charters of their own, which complicated their relations with the Company to which they were affiliated². The evidence of the northern branches, in particular, serves to show that even where provincial merchants were admitted to the privileges of the Company the conflict still continued, though it assumed a different form. The dissensions between the Company and its branches occupy a large chapter in the history of the Merchant Adventurers: they were chiefly remarkable for the variety of pretexts under which the real issue was masked: and they not only consumed the energies of the Company in unprofitable and endless discussions, but involved it in costly suits in which the disunion of the fellowship was exposed to the eyes of the whole nation.

The jealousy of the northern traders was of long standing: it sprang from a sense of inferiority. Their 'trading ventures' were far below those of the South in 'value and substance of riches'—in the middle of the sixteenth century four London traders paid more than the entire assessment on York³. As early as 1548 the latent antagonism found open expression in the injunction laid upon the inhabitants of Newcastle to let no house or cellar to any Londoner for warehousing his goods⁴. A century later York, Hull and Newcastle petitioned the Government to intervene on behalf of the merchants north of the Trent, who were being driven out of their own field by the invasion of London capitalists. Their command of capital enabled the latter to give credit and so wrest the trade of the North from their rivals, whose resources were limited. "In equity and reason", the petition pleaded, "the benefit of trade should be equally disposed into all the veins of the commonwealth"⁵. It is in the light of this situation that the apparently unimportant bickerings between the metro-

Dissensions between the Company and its branches.

¹ *State Papers Domestic*, 1601-1603, p. 164; Wheeler, *A Treatise of Commerce* (1601), 19.

² E.g. Bristol (*State Papers Domestic*, 1638-1639, p. 127); Newcastle, York, etc.

³ *York Merchant Adventurers*, 79, 150 (1553).

⁴ *Newcastle Merchant Adventurers*, i. 64.

⁵ *Ibid.* i. 167 (1651).

politan and provincial centres must be interpreted : whatever the nominal pretext, the principle for which the northern branches were contending was identical with that which inspired the resistance of the interlopers. Both alike were struggling for economic independence : and whether the contest was carried on inside or outside the Company the issues involved were similar.

*The
opposition
of York.*

In the sixteenth century York took the lead in challenging the ascendancy of London. Its merchants claimed to be an independent company endowed with their own charter, governor, deputy governor and assistants ; and their relations with the London Company were further complicated by the fact that they were not all engaged in oversea trade ¹. The unfriendly character of these relations is sufficiently attested by the tone of the correspondence which passed between them ². The subjects of dispute were varied ³, but the most important raised a fundamental issue. It was a cardinal principle of the London Company that no one occupied in retail trade should engage in adventuring oversea. In the reign of Elizabeth proposals were mooted to extend this regulation to the northern ports : the latter at once raised a protest, for the effect would have been to drive provincial merchants from the field of foreign trade and to leave London in undisputed possession ⁴. Another proposal met with similar hostility. When new companies were instituted in the sixteenth century, the Merchant Adventurers showed their jealousy by a plan to exclude from their body any who joined these companies. The northern merchants, who did not confine themselves to one market abroad but spread their energies over the whole Continent, refused to surrender their right to trade with Flanders, the Baltic, Spain and Portugal. They stoutly opposed what they scornfully termed ' frivolous ' decrees ⁵ ; and, declaring that

¹ *York Merchant Adventurers*, 249, 264. The Merchant Adventurers of York still continue to hold meetings : *Victoria County History, Yorkshire*, iii. 454.

² *York Merchant Adventurers*, 149.

³ York complained, e.g., of the handicaps put upon their merchants in the mart town, and of unfair assessments : *ibid.* 75-77, 149.

⁴ York protested in 1560 and 1580 : *ibid.* 164, 230, 234. Also *supra*, p. 221.

⁵ *York Merchant Adventurers*, 226-237 (1580).

"we will not in any wise agree to make ourselves bondmen" ¹, they preserved their freedom to belong to different companies ².

The Merchant Adventurers of Newcastle assumed in the seventeenth century the part taken by York in the sixteenth. They claimed to be 'a several and distinct Company' incorporated by 'ancient charters', in virtue of which they refused obedience to the orders of the London Company while asserting the right to participate in its privileges ³. London declined to recognize the Merchant Adventurers of Newcastle as an independent body, and rebuked them for using the title of governor. The constitution of the Merchant Adventurers of England provided that there should be one governor over the whole fellowship, and local bodies were placed under a deputy governor and a subordinate court of assistants ⁴. An important principle was here involved. The authority of a deputy was limited to executive functions, so that the refusal to recognize the head of the Newcastle Company as governor was equivalent to a denial that it had powers of legislation. Newcastle fought the question tenaciously, returning unopened letters which bore the superscription—'To the deputy governor' ⁵; and each side pressed its point of view in an acrimonious and unyielding spirit ⁶.

Questions of finance provided a more concrete setting for the ventilation of grievances. In 1519 Newcastle merchants made a composition with the London Company to pay yearly eight pounds "by way of impositions in the name

¹ *York Merchant Adventurers*, 231.

² *Newcastle Merchant Adventurers*, ii. 53. For the wide connexions of a northern merchant, see *Hist. MSS. Comm. Shrewsbury*, 92.

³ *Newcastle Merchant Adventurers*, ii. 36, 46, 52, 58. They had a charter from Edward VI., and they also claimed, as the representative of the merchant gild, to control the trade of the town under a charter of John : *ibid.* i. p. xxxiv.

⁴ The appointment could be made by the head court: Wheeler, *A Treatise of Commerce* (1601), 25; *The Lawes, Customes and Ordinances of the Fellowship of Merchantes Adventurers*, 6-7, 195-196; *Transactions of the Royal Historical Society*, N.S., xvi. 54-55.

⁵ "There being no person amongst us known by that appellation": *Newcastle Merchant Adventurers*, ii. 98-99 (1663). Cf. also *ibid.* 7-8, 34-35, 38, 52.

⁶ *Ibid.* ii. 66.

and for the due of all those of the fellowship residing in the town" ¹. More than a century later (1623) the Company, now heavily involved in debt, repudiated the agreement and ordered Newcastle merchants to pay the same impositions as other members ². Strengthened by the confirmation of its privileges in 1634, it also levied a charge of 48s. for the admission of Newcastle apprentices to the freedom 'over and above' the original fine of 6s. 8d. ³. The Company defended its exactions on the plea that the ancient composition was for wool only; that the merchants of Newcastle had not been charged impositions on cloth in recent years because the Company had refrained from levying any impositions on members owing to the curtailment of its privileges from 1618 to 1634 ⁴; that the composition was made when the Newcastle trade was insignificant, but it had now grown 'very ample'; that if Newcastle were exempted it would draw the trade from York and Hull and London, "which would breed a mutiny and confusion in our trade"; and, lastly, that the Company had incurred "a great debt which they fell into for service done to King James" ⁵. Newcastle rejoined that the composition applied to cloth as well as to wool, and it produced a document drawn up by the lord treasurer in 1560 testifying that 'time out of mind' its merchants had 'adventured' cloth ⁶. It petitioned the Privy Council (1637) which gave an interim verdict in its favour, afterwards confirmed under the Commonwealth ⁷, but the dispute was revived after the Restoration.

Other
grievances.

Another question which disturbed the relations of the London and Newcastle companies concerned the number of apprentices. The Newcastle merchants refused to be bound by any restrictions on the ground that they engaged in home trade. "Our trade is much different to yours. . . . We live upon retailing our returns" and "keep shops which you do

¹ *The Lawes, Customes and Ordinances of the Fellowshipes of Merchant Adventurers*, 124; *Newcastle Merchant Adventurers*, ii. 3.

² *Newcastle Merchant Adventurers*, ii. 26, 31.

³ *Ibid.* ii. 8, 107. For 1634, see *infra*, p. 263.

⁴ *Infra*, p. 263.

⁵ *Newcastle Merchant Adventurers*, ii. 6, 9-30, 93; *State Papers Domestic*, 1636-1637, p. 298.

⁶ *Newcastle Merchant Adventurers*, ii. 10, 13.

⁷ *Ibid.* ii. 18 (1637), 33 (interim verdict: 1639), 71 (1657).

not, and therefore our way of trade will require the more apprentices . . . than they which deal by wholesale". The argument drew the retort that "our brethren at York, Hull and Leeds keep shops as well as you, and yet pretend no exemption" ¹. In a similar spirit of independence Newcastle declined to submit to the 'universal orders' of the Company in other matters. It refused to confine its trade to the mart towns ², thus taking up the same attitude as did the interlopers; and it failed to observe the set times of shipping, alleging that "our trade hath never been so considerable as to freight a ship . . . but [we] were always forced upon a sudden to ship the small quantity we had ready in coal-laden ships" ³. In using ships engaged in regular sailings to the Continent the northern traders enjoyed the advantage of lower freights ⁴, and they were probably anxious to avoid the mart towns at the seasons when the London merchants frequented them. The reason is disclosed in the complaint of the York merchants that they were forced to sell their wares in the mart towns "in streets joining nigh the merchandise of London, to the intent that the cloth of the north parts shall appear worse and their cloth to appear the better" ⁵. The Company, however, insisted on their observing the set days and seized cloth transhipped in breach of its regulations ⁶. The conflict between Newcastle and London came to a head after the Restoration when the London body, in order to extinguish all resistance, erected another company in the northern port in opposition to the old one and procured a warrant from the Exchequer that no goods should pass through the customs without the sanction of the new company ⁷. "This", wrote the Newcastle merchants, "we now resolve to add to our former wrongs" ⁸. They forbade their members to comply with the Exchequer regulations under penalty of a hundred pounds, and ordered the legality of the procedure to be tested before the judges.

¹ *Newcastle Merchant Adventurers*, ii. 42-44, 46, 52-53, 70, 95.

² *Ibid.* ii. 8, 12. ³ *Ibid.* ii. 50, 65, 70, 115. ⁴ *Ibid.* ii. 95.

⁵ *York Merchant Adventurers*, 77 (1478).

⁶ *Newcastle Merchant Adventurers*, ii. 65.

⁷ 1663: *ibid.* ii. 101, 105, 107-108, 112, 132.

⁸ *Ibid.* ii. 103.

*Concerted
action
against
London.*

While each of the outports fought its own battle independently, on occasion a united front was formed when a common grievance provided the basis for combined action against their metropolitan adversary. The geographical factor and a sense of isolation brought together the merchants north of the Trent, and they frequently acted in concert in spite of the efforts of the London Company to play off one town against another ¹. In the fifteenth century it was the practice to choose one of the governors of the fellowship to represent London, and the other to represent the North of England; and it marked the first step towards the ultimate domination of the metropolitan merchants in the Company when the election of a representative of the northern merchants was allowed to lapse, and the representative of London gathered all the reins of government into his own hands. The remonstrance of the provincial members passed unheeded ², and the victory of the metropolis was crowned by the Elizabethan charter of 1564 which authorized the appointment of a single governor ³. In the seventeenth century the northern towns were drawn together by the determination to resist liability for the debt contracted by the Company, and an invitation was issued by York to Newcastle, Hull and Leeds to send representatives to hold a joint meeting and prepare 'for our just defence' ⁴. On at least two occasions the outports situated in the East and West of England sought to enlist the support of the North in a national movement directed against London. At the beginning of the sixteenth century the merchants of Norwich made a proposal for joint action in a letter in which they unfolded the grievances under which they smarted ⁵. They expressed the conviction that 'the merchants of the city of London' were endeavouring to drive away from the mart towns 'all merchants of England' by harassing regulations: "to the intent to weary us that we should come no more to the marts."

¹ *Supra*, p. 258.

² *York Merchant Adventurers*, 75-76 (1478), 119.

³ *Supra*, p. 215.

⁴ *Newcastle Merchant Adventurers*, ii. 116, 125 (1664).

⁵ They complained that the Company twice deferred the market for the sale of cloth in the mart town because the goods of London merchants had not all arrived, and so put the merchants already present 'to great loss and hindrance': *York Merchant Adventurers*, 121-122 (1509).

In the seventeenth century Bristol, anxious to push an independent trade in southern Germany ¹, intimated to the other adversaries of the Company that "now was the time . . . to free themselves from the bondage of the Merchant Adventurers of England", and to "join strength together" ². The northern traders, however, rejected the overtures of the western port. While they stoutly upheld their claims against the metropolitan Company, they were not prepared to make common cause with interlopers, whom they stigmatized as 'those enemies of our trade'. The proposal of Bristol, they replied, "if effected, will ruin the Merchants' Company: who by their stock, trade and credit have been the support of our English manufactures. And in this weighty case it is not easy to determine what to do; for although the Merchant Adventurers have dealt very unkindly with us (to give it no worse term) . . . yet in this case we do hold it more conducing to the common good of trade, and the maintaining of our general privileges, to join with the merchants of London rather than with these interlopers" ³. A similar plan to establish a common front against London was attempted by the Cinque Ports. A demand made upon them in 1619 to contribute to an expedition against the pirates of Algiers and Tunis moved them to action ⁴. They protested that formerly the Ports were inhabited by merchants and shipowners, but now, owing to the monopoly established by the London companies which 'barred' the Ports from their usual trade, 'masters and owners' of ships "were constrained to settle themselves at London" where they had continual employment. Dover took the lead in inviting the rest of the Ports to make joint representations to Parliament, urging that "if upon this fit occasion we do not obtain our free trade there will be little hope hereafter to gain it" ⁵.

The conflict between the Company and its opponents lasted over two centuries: it ended in the triumph of the

¹ Latimer, *Merchant Venturers of Bristol*, 139.

² *Newcastle Merchant Adventurers*, ii. 136-137 (1669).

³ *Ibid.* 137.

⁴ *Supra*, p. 194.

⁵ *Hist. MSS. Comm. Ry.*, 152-154, 159-160; *Acts of the Privy Council*, 1618-1619, pp. 442-443.

*Elizabeth's
support
of the
Company:*

' free traders ' when the fellowship was finally divested of its privileged status after the Revolution. The struggle was at its height in the seventeenth century when the fortunes of war swayed now to one side, now to the other. Entrenched in the stronghold of privilege, and sheltered behind the prerogative of the Crown, the Company was powerful while it basked in the royal favour ; yet in the end it was destined to succumb to the pertinacity of the interlopers and the logic of economic facts. The interloper was in evidence in the sixteenth century, but Elizabeth did not waver in her support of the Company. Although its privileges were suspended in 1586, the Government's action was intended to alleviate a commercial crisis ¹, and it did not represent the beginning of a movement towards free trade since the Queen confirmed the Company's charter in the same year ². The Government held the opinion that the Company in its trade and privileges " should receive all the best comfort and assistance " ³ ; and when the imperial mandate of 1597 involved the fellowship in grave difficulties, its appeal met with an immediate response ⁴, instructions being given to the officers of the customs to suppress ' disordered and ungoverned trading ' ⁵.

*The Early
Stuarts.*

The accession of a new sovereign was the occasion for a concerted attack upon the trading companies in the Parliament of 1604, but the Bill for Free Trade ⁶ proved abortive, and the charters of the Merchant Adventurers were again confirmed ⁷. The Company's patent was taken from it in 1614, and not restored until 1617, on account of its refusal

¹ *Infra*, vol. iii. 304.

² Misselden, *The Circle of Commerce* (1623), 54. It was stated in the report of a committee of the House of Commons in 1624 that " the first patent to restrain the merchants, in general, to carry [out] dyed and dressed cloth was 28 Elizabeth. And that, before that time, all merchants promiscuously might buy " : *House of Commons Journals*, i. 695, 780, 784.

³ *Hist. MSS. Comm. Verulam*, 22 (1588).

⁴ Its petition is printed in *Hist. MSS. Comm. Salisbury*, vii. 543.

⁵ *Ibid.* vii. 159-160. The interlopers evaded control by shipping from provincial ports. The methods of evasion are described in *ibid.* viii. 12 ; *State Papers Domestic*, 1619-1623, p. 176. The Government again intervened in 1601 : *Hist. MSS. Comm. Salisbury*, xi. 397.

⁶ *House of Commons Journals*, i. 949. See *supra*, p. 243.

⁷ In 1605 and 1607 : *The Lawes, Customes and Ordinances of the Fellowship of Merchantes Adventurers*, p. xxxii. See also *Hist. MSS. Comm. Verulam*, 23-24, for instructions to the officers of the customs.

to export dressed cloth ; and during the interim the patent was transferred to a new body erected in its place¹. Towards the end of James I.'s reign the Company was saddled by its enemies with the responsibility for an industrial crisis largely provoked by the King's own misguided policy², and its position was seriously shaken. In 1621 the King gave the outports licence to share in the export of new draperies³. Three years later a parliamentary committee pronounced the patent of the Merchant Adventurers a 'grievance in creation and execution'⁴: the trade in kersies, dozens, and dyed and dressed cloth was thrown open : and the fellowship found its monopoly limited to the export of white broad cloth. The House of Commons also resolved that if the Merchant Adventurers failed to buy up within a month the white cloths brought to Blackwell Hall, other merchants should be at liberty to purchase and transport them⁵. The interlopers had gained a valuable concession because they were now permitted to ship to Germany and the Low Countries every kind of cloth except white broad cloth : they fixed their centre at Amsterdam, and the Company alleged that "under colour of transporting coloured cloths they include white cloths"⁶. In the next reign the Merchant Adventurers ranged themselves on the side of Parliament in the struggle over tonnage and poundage. However, in 1634, the Company was restored to its 'ancient privileges'—"more by strength of purse than argument", said its enemies⁷—and a proclamation ordered that no cloth of any kind should be shipped except to the mart towns, with

¹ *Infra*, vol. iii. 379.

² *Infra*, vol. iii. 305, 308.

³ *State Papers Domestic*, 1619-1623, p. 274. The Company consented on condition that the merchants contributed to its charges, that no London interlopers availed themselves of this permission, and that it was confined to new draperies: *ibid.* 270. The Company had permitted its members in 1618 to trade outside the mart towns in all commodities except broad cloth: *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 134.

⁴ *House of Commons Journals*, i. 780.

⁵ *Ibid.* i. 695, 698-699, 702, 706, 773, 780-783, 787, 791. *Acts of the Privy Council*, 1623-1625, p. 268.

⁶ *State Papers Domestic*, 1634-1635, p. 313. In 1630 the Privy Council ordered that cloth must be taken to the mart town in Germany or the Low Countries: *ibid.* 1629-1631, p. 420; *Hist MSS. Comm. Verulam*, 30.

⁷ *Veneris* (1662), 14. For the Company's petition, see *State Papers Domestic*, 1634-1635, p. 313.

the result that interlopers were again excluded from the trade¹.

*The Inter-
regnum.*

During the Civil War the Company's trade suffered severely from the disturbed condition of the country, while the energies of its members were absorbed in political activities. The Dutch seized the opportunity to develop their woollen industry and shipping, and to invade the German market with their cloth². The clothiers made complaint to Parliament "of the deadness of their trade in London, and that the merchants would not take off their cloth or part with the moneys owing to them"; and the House of Lords warned the Company to buy the cloth or else the trade would be thrown open³. But the Long Parliament did not venture to infringe the vested interests of wealthy corporations; it needed their financial support in the struggle against the King; and in 1643 the Merchant Adventurers purchased with a loan of £30,000⁴ the confirmation of all their privileges⁵. In the same year Charles I. threw the trade open on the ground that London was in rebellion⁶. The parliamentary ordinance proved ineffective; within a short time interlopers were trading 'in ample manner'; and the Company protested in vain⁷. Under the Commonwealth it petitioned for the re-establishment of its 'government'; and in 1656 the Protector ratified its charters and restricted the trade in cloth to the mart towns, despite the remonstrances of the interlopers⁸.

¹ *State Papers Domestic*, 1634-1635, p. 346; Rymer, *Foedera*, xix. 583; *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1685. The Company's privileges were confirmed in 1639: Rymer, *Foedera*, xx. 342.

² Coke, *Treatise* (1675), iii. 34. See *infra*, vol. iii. 317.

³ *House of Lords Journals*, iv. 237 (1641).

⁴ *Veneris* (1662), 30. But Whitelock stated in his *Memorials of the English Affairs* (ed. 1853), i. 213: "I was in the chair of a committee to treat with the Merchant Adventurers . . . about confirming some of their patents and their loan of £60,000 to the Parliament."

⁵ *Acts and Ordinances of the Interregnum*, i. 310-311. *House of Commons Journals*, ii. 893; iii. 237, 518.

⁶ *Tudor and Stuart Proclamations* (ed. Steele), i. No. 2510. In 1644 he allowed the inhabitants of Cornwall for their loyalty to trade with any place, a privilege revoked in 1674: *State Papers Domestic*, 1673-1675, p. 291.

⁷ *State Papers Domestic*, 1650, p. 21; *Newcastle Merchant Adventurers*, i. 138-139 (1645).

⁸ *State Papers Domestic*, 1649-1650, p. 65; 1650, p. 21; 1655, p. 132; 1655-1656, p. 318; 1658-1659, p. 100. *Tudor and Stuart Proclamations*

[*contd.*]

After the Restoration the difficulties which beset the Company on every side multiplied fast. At home it was engaged in interminable and acrimonious disputes with its affiliated branches, while the interlopers marshalled a strong case against the corporation which they laid before Parliament and the Privy Council¹. Abroad its market had now to be shared with the Dutch who had profited by the Civil War to entrench themselves in northern Germany². To crown all, it was burdened with a heavy debt for the liquidation of which its creditors were clamouring, and any attempt to meet its obligations by levying impositions on cloth aroused a storm of protest. The efforts of the interlopers were attended with partial success, the privileges of the Company being temporarily suspended on the pretext of the decay of trade. The House of Commons resolved that all merchants should be at liberty to export cloth within the limits of the Merchant Adventurers' patent until the end of the year (1662)³; and a proclamation to this effect was issued 'with the free consent of the Company', though Dordrecht and Hamburg were exempted from its operation⁴. The next year the Commons appointed a committee to "inquire what benefit has accrued to the subjects of this kingdom by the late suspension of the patent granted to the Merchant Adventurers"⁵; and the Company successfully exerted its influence to bring the experiment in free trade to an end⁶. After three years the trade in cloth, which had

*After the
Restoration.*

(ed. Steele), i. No. 3072. The Remonstrance of 1656, urging Cromwell to accept the kingship, was introduced in Parliament by the governor of the Merchant Adventurers: *Transactions of the Royal Historical Society*, N.S., xvi. 40.

¹ *Supra*, p. 243, note 5.

² *Supra*, p. 264. The Company also complained that the States General had ordered it to pay customs on cloth contrary to its privileges: *State Papers Domestic*, 1673-1675, p. 420.

³ *House of Commons Journals*, viii. 394, 400.

⁴ *Tudor and Stuart Proclamations* (ed. Steele), i. No. 3354. The period fixed was from May 20 to December 25 (1662).

⁵ *House of Commons Journals*, viii. 489.

⁶ The proclamation stated that it had not produced the effect desired: *State Papers Domestic*, 1663-1664, p. 103; *Tudor and Stuart Proclamations* (ed. Steele), i. No. 3380. A contemporary letter states that the licence had proved 'highly prejudicial' to the Company: *Newcastle Merchant Adventurers*, ii. 93, 96.

been disorganized by the Plague, was again thrown open¹. Later in the reign, during another period of open trade, several London merchants declared that they exported ten thousand cloths more than did the Company². In 1683 the Merchant Adventurers were restored to their full privileges³; but the Revolution began a new page in the history of English commerce by throwing open markets hitherto the close preserve of the greatest of the regulated companies. The Act of 1689, 'for the better encouragement of the manufacture as well as the growth of wool', allowed all persons to export cloth to any part of the world, a saving clause reserving the monopoly of four companies: the Levant, Eastland, Russia, and African⁴.

Later
history
of the
Company.

Although the interlopers had triumphed, the debate was not closed. For a decade petitions and counter-petitions continued to pour in upon Parliament seeking to reverse or uphold the decision in favour of free trade. Rival petitions often came from the same locality each professing to speak in the name of the industrial and commercial interests involved⁵. On the side of the Company it was urged that the oversea trade would pass from English into foreign hands; moreover the Company was wont to pay ready money and to supervise the quality of the wares, but now long credit was extorted from the clothiers which forced them into

¹ The proclamation was issued in April 1666, and the period extended until December 25, 1666 (Dordrecht and Hamburg being excluded): *State Papers Domestic*, 1665-1666, p. 352. It was then prolonged until December 25, 1667: *ibid.* 1666-1667, p. 594; *Tudor and Stuart Proclamations* (ed. Steele), i. Nos. 3458 and 3489. See also *State Papers Domestic*, 1670, pp. 202, 510.

² During a period of 6 months (1676): *State Papers Domestic*, 1676-1677, p. 52 (also see p. 26). But the interlopers were active at other periods: *ibid.* 1673-1675, p. 316.

³ *Tudor and Stuart Proclamations* (ed. Steele), i. No. 3742.

⁴ The Act is dated 1688 in the statute-book, but the correct date is 1689: *Statutes*, vi. 97; *House of Lords MSS.*, 1689-1690, p. 256. The Act of 1689 was in operation for three years: *House of Commons Journals*, x. 714; xi. 79. When it expired in 1692 the trade was temporarily open, and a Bill for continuing the Act was rejected: *Statutes*, vi. 417; *House of Commons Journals*, x. 818. The Act was renewed in 1695: *Statutes*, vii. 118.

⁵ See *infra*, p. 267, notes 1 and 2. A petition, signed by the mayor of Leeds and 'divers merchants and clothiers', alleged that indirect means were used in obtaining a petition on behalf of the Company: *Hist. MSS. Comm. Various*, viii. 83 (1699).

the power of the 'wool broggers', while the market abroad was flooded with 'false-made goods'¹. To these arguments the advocates of free trade, now on the defensive, returned a categorical denial. They asserted that trade had increased, since "experience demonstrates that the woollen manufacture, when attended with freedom, diffuseth itself through all the markets of Europe"; that the charge and delay of transporting cloth to London were saved by sending it to Germany direct from the western ports; that multiplicity of buyers meant the sale of larger quantities, better prices and speedier payment; that native shipping was employed in the carrying trade². Opinion in Parliament appeared at times almost equally divided³, but in spite of its efforts the Company failed to regain its lost privileges. Yet though shorn of their privileges the Merchant Adventurers did not dissolve their organization. It survived because its members enjoyed one advantage of which no Act of Parliament could deprive them—their corporate knowledge and experience of trade⁴; while they also retained their privileged position in the mart towns. For these reasons the fellowship continued to recruit new members throughout the eighteenth century; and Anderson, writing in 1764, remarked⁵—
"They have long since fixed their residence solely at Ham-

¹ For the 'wool broggers', see *supra*, pp. 19 *seq.* The case for the Company is presented in petitions from London, Leeds, Hull, Exeter, Gloucestershire and Wiltshire: *House of Commons Journals*, x. 729, 736, 759 (1692); xii. 81, 102, 156, 163 (1698); xiii. 89 (1699), 145, 173, 181 (1700). Also in *Reasons humbly offered for excepting the Rivers of Elbe, Weser and Eyder out of the Bill for a General Liberty of Exporting the Woollen Manufactures of this Kingdom*.

² For the case against the Company, see petitions from Leeds, Exeter, Taunton, Barnstaple, Colchester, Plymouth, Gloucestershire: *House of Commons Journals*, xii. 151, 160-161, 165 (1698), 497, 527 (1699); xiii. 133-134, 145, 163, 173 (1700). Also see *Reasons humbly shewing that . . . an exception of the Rivers Elbe, Weser and Eyder will make the Bill of no effect; and The Case of the Merchants and Clothiers . . . concerned in the free exportation of the woollen manufacture of England*.

³ In December 1693 a motion to bring in a Bill to renew the Act of 1689 was carried by one vote: *House of Commons Journals*, xi. 28-29; *Hist. MSS. Comm. Various*, viii. 74.

⁴ They pointed this out in 1676, when they said that if they surrendered their charter their knowledge would give them the advantage over outsiders: *State Papers Domestic*, 1676-1677, p. 26. Only small duties continued to be paid at Hamburg: *House of Commons Journals*, xii. 433.

⁵ Anderson, *The Origin of Commerce* (ed. 1764), ii. 118.

burg¹, where they have considerable privileges and drive a great commerce for supplying many provinces of Germany with our woollen, etc., manufactures". The Company was still in existence at the opening of the nineteenth century².

*The place
of the
Merchant
Adven-
turers in
History.*

The Merchant Adventurers played a great part in the development of English trade, but whether the good which they achieved outweighed the harm which they did is a question on which agreement is improbable. "A great old tree", was the opinion expressed in Parliament in 1624, "which hath borne good fruit, but now overgrown with moss"³. It is easy to frame an indictment against the Company, yet much of the criticism is doctrinaire in character and imports modern concepts into the handling of historical problems⁴. It is true that the Company placed restrictions on its membership; but most professions nowadays insist upon qualifications which in practice limit the numbers admitted to their ranks, and the merchant of the sixteenth and seventeenth centuries regarded commerce in the light of a profession. It is true that the Company regulated trade; but now that the 'rationalization of industry' is becoming general, price-cutting and glutting of markets, with their attendant reactions on wages and employment, hardly appear an unmixed good. It is true that London absorbed most of the trade; but this it would have done in any case as the natural port for trade with Germany. And if the bulk of the foreign trade was concentrated in a few hands, it is reasonable to suppose that this would have happened even under free trade. The interlopers were not opposed to 'government' in trade: they were not the champions of abstract principles of individual liberty. Their conduct was influenced by practical considerations: they fought against

¹ They retained their privileges at Dordrecht down to the middle of the eighteenth century: *The Lawes, Customes and Ordinances of the Fellowship of Merchant Adventurers*, 253.

² The Company's factory was abolished, and its privileges ceased, in 1807, when the French occupied Hamburg: *Parliamentary Papers* (1835), xlviii. 120, 129, 140 seq.

³ *House of Commons Journals*, i. 698, 783.

⁴ Cf. the discussion in Unwin, *Studies in Economic History*, pp. 133 seq., where an unfavourable view is taken of the Merchant Adventurers.

the ascendancy of London and disclaimed responsibility for the debts incurred by the Company. The latter's financial exactions were largely the cause of its difficulties ; yet, as we have seen, its anomalous legal status made them inevitable¹. To attribute the depression which clouded the last years of Elizabeth's reign to ' the spirit of monopoly ' fostered by the Company, is to ignore the effects produced by the war with Spain², and the fact that trade revived under James I. when the Merchant Adventurers were still in possession of their monopoly. On particular aspects of their policy criticism may be justly levelled against all the trading companies. This, indeed, was the line generally taken by their opponents who dissociated themselves from any desire for ' anarchy ' in trade, while demanding that the companies should admit members upon reasonable terms—" the King's highway of trade should be opened unto all "—and that their regulations should not seek ' private ends ' ³. But the position of the Merchant Adventurers, as a whole, must be viewed in relation to the traditional framework of society in earlier centuries ⁴, and not by reference to standards from which we are already beginning to depart.

(II)

THE EAST INDIA COMPANY

The East India Company was the greatest of the joint-stock companies. Its political achievements are writ large in the history of the British Empire. Its economic significance is twofold—first, as a source of national wealth ⁵; secondly, as the organization around which centred most of the economic controversies of the seventeenth century. The Company won early recognition of the ' extraordinary benefit ' derived from its trade ⁶; and its ability to raise loans at

¹ *Supra*, p. 248.

² See *infra*, vol. iii. 303-305.

³ Misselden, *Free Trade* (1622), 55 ; *Britannia Languens* (1680), 72 seq. Also *supra*, p. 249.

⁴ *Supra*, p. 193.

⁵ For an estimate of the wealth gained by the East India trade, see *infra*, vol. iii. 210.

⁶ *The First Letter Book of the East India Company* (ed. Birdwood), 470 (1615) ; Rymer, *Fœdera*, xviii. 965-966 (1628) : *State Papers Domestic*, 1641-1643, p. 67.

*Economic
signifi-
cance of the
East India
Company.*

4 per cent.¹, when the Government of the Restoration paid at least 12 per cent.², explains its description as 'the great fund of Europe'³. The economic issues raised by the East India trade will be related in their place⁴, but it may be observed here that they played the leading rôle in the development of economic thought prior to Adam Smith's *Wealth of Nations*.

Founda-
tion of the
Company.

The East India Company was founded at the end of the sixteenth century, but for more than a generation before the glamour of the Orient had cast a spell over the minds of Englishmen. Early in her reign Elizabeth was assured that in Cathay "English cloth shall be there more esteemed than their gold or silver. The yearly traffic and treasure shall be more worth to your majesty than either King Philip's or the Portugal's Indians"⁵. At first attention was concentrated upon the effort to discover a North-West or a North-East passage to the Orient since Portugal claimed a monopoly of the route round the Cape of Good Hope. In the middle of the reign the situation underwent a change. Portugal became a province of Spain (1581), and immediate measures were necessary to free England from her dependency for spices upon the Portuguese market. The first step taken was to establish the Levant Company (1581)⁶, which made Eastern produce available by another channel; and before the decade closed Elizabeth was being asked to sanction the opening up of trade with India direct. Two expeditions were sent out, the first in 1591, the other in 1596; both ended in failure and the vessels were lost⁷. The occasion of the third voyage was perhaps the action of the Dutch in raising the price of pepper from 3s. to 6s. and even 8s. the

¹ *State Papers Domestic*, 1664-1665, p. 565. See *infra*, p. 294.

² *Infra*, vol. iii. 235

³ *Hist. MSS. Comm. Kenyon*, 156.

⁴ *Infra*, pp. 277 seq.

⁵ Letter of Thomas Champneys (1566): *Hist. MSS. Comm. Salisbury*,

i. 340.

⁶ *Infra*, p. 337.

⁷ Fitch and Newbery had been sent out to India through Asia Minor by two London merchants, Osborne and Staper, in 1583: Hakluyt, *The Principal Navigations, Voyages, Traffiques and Discoveries of the English Nation* (ed. 1904), v. 450, 465. For Lancaster's voyage by the Cape of Good Hope (1591), see *ibid.* vi. 387. For Wood's voyage (1596), see *Purchas His Pilgrimes* (ed. 1905), ii. 288 seq.; *State Papers East Indies*, 1513-1616, pp. 98-99.

pound¹. A meeting was held in London in September 1599, presided over by the lord mayor, when it was decided to form an association to carry on direct trade with India². Thirty thousand pounds were subscribed³, and a petition was exhibited to the Privy Council showing that the merchants of London—induced by the success of the Dutch merchants who had “made several voyages to some parts of the East Indies and have had returns from thence with their ships richly laden with pepper, spices and other merchandises”—were resolved to make England a staple of Eastern produce, “which heretofore this realm hath been supplied with at the hands of” strangers, provided they obtained certain privileges. These included a demand for incorporation, “for that a trade so far remote cannot be managed but by a joint and united stock”; licence to transport foreign coin; and freedom from customs and subsidy on exports for six voyages⁴. The Queen yielded assent⁵ and a charter was granted on 31st December 1600.

The charter⁶ incorporated ‘certain adventurers for the discovery of the trade for the East Indies’ by the name of ‘the Governor and Company of Merchants of London trading into the East Indies’: They were assigned ‘the whole, entire and only trade’ to and from the East Indies; “and by virtue of our prerogative royal which we will not in that behalf be argued or brought in question” the Queen prohibited all her subjects “that none of them directly or indirectly visit, haunt, frequent or trade, traffic or adventure by way of merchandise into or from any of the East Indies” except by licence of the Company. Authority was given ‘to make reasonable laws by the greatest part of a general assembly’; to punish offenders ‘by imprisonment of body or by fines’; and, the most valuable privilege of all, to carry out thirty thousand pounds⁷ on condition that a

*Its charter
and regula-
tions.*

¹ Hunter, *A History of British India*, i. 279.

² *The First Letter Book of the East India Company*, p. xliii.

³ *State Papers East Indies*, 1513–1616, pp. 99–101; *Court Minutes of the East India Company*, 1599–1603 (ed. Stevens), 4–5, 8.

⁴ *Hist. MSS. Comm. Salisbury*, x. 445–446 (1600).

⁵ *Ibid.* x. 329.

⁶ Printed in *The First Letter Book of the East India Company*, 163 seq.

⁷ In foreign coin of silver, or silver coined out of plate or bullion provided by the Company: *ibid.* 180. Part of the foreign coin was to be recoined

[contd.]

similar amount was returned after each voyage. To strengthen the hands of the Company's representatives abroad they were armed with a circular letter addressed by Elizabeth to 'the kings of the East Indies', in which the doctrine of international trade, so conspicuously ignored or contravened by Western rulers, was commended to the attention of Eastern potentates¹. The conduct of affairs was placed in the hands of a governor, deputy governor and twenty-four assistants², and they shouldered responsibility for the minutest details—precise instructions being given as to the commodities in demand, which ranged from calicoes, cotton yarn and indigo, to nutmegs, maces, pepper and drugs³. The discretion of the Company's agents was at first strictly defined, and the skill of the London directors in gauging the requirements of the European markets must have been an important factor in the successful development of the trade. When intercourse with China was subsequently opened up the supercargoes enjoyed a larger measure of liberty owing to the peculiar difficulties of the trade⁴, and, we may conjecture, the comparative unfamiliarity of the London merchants with Chinese products. The instructions for the voyage were not purely of a business nature. Detailed regulations were laid down for the preservation of health on the expedition and for the performance of religious duties: "for that religious government doth best bind men to perform their duties"⁵. To enlist the interest of the mariners in the success of the voyage a scheme of profit-sharing was introduced, by which each sailor—for the better advancement of his salary—was credited with a share in the enterprise to the extent of two months' wages: it is uncertain whether the share was supplementary to their ordinary pay or in lieu of it⁶.

by the Mint, but India rejected it because it was stamped with an unknown superscription: *ibid.* 197, 226; Ruding, *Annals of the Coinage* (ed. 1840), i. 353-354.

¹ *The First Letter Book of the East India Company*, 19.

² *Ibid.* 169.

³ *Ibid.* 59-60, 404-410.

⁴ Morse, *The Chronicles of the East India Company Trading to China*, i. 66-67. The Company was restricted to a single port, Canton.

⁵ *The First Letter Book of the East India Company*, 397, 400-402.

⁶ *Court Minutes of the East India Company*, 1599-1603, p. 70.

The 'adventurers' incorporated by the charter numbered 218¹. They were recruited partly from the Levant Company and the Russia Company, partly from 'all callings, professions and trades'². Their connexion with the Levant Company was particularly close: the same person, Sir Thomas Smythe, occupied the office of governor in both companies³, and apparently the same minute-book was originally shared between them⁴. The capital of the East India Company was thus derived from a variety of sources: it was "collected", as Misselden said, "from all the other particular trades of the commonwealth"⁵. To some extent, indeed, the establishment of a new branch of commerce caused a contraction in other branches: it was stated, for example, that "the merchants that formerly used the Muscovy trade are now seated" in the East Indies⁶. But although capital was readily forthcoming for the opening up of direct trade with India, more than half a century elapsed before it assumed a permanent form: in the interim there was a series of temporary joint stocks which were wound up at the completion of each undertaking⁷. At first the capital was subscribed on the occasion of every 'separate voyage'—of which there were twelve between 1601 and 1613; afterwards it was subscribed, with some exceptions, for a number of voyages⁸. The system of 'terminable stocks' had several defects. They overlapped, which created complications as regards book-keeping—in 1633 there existed at the same time five independent ventures⁹: they forced the Company

*Temporary
joint
stocks.*

¹ The list of names is given in the charter of 1600: *The First Letter Book of the East India Company*, 164 seq.

² Kayll, *The Trades Increase* (1615), 5, 14. *Infra*, Appendix, p. 498, No. 2.

³ Carr, *Select Charters of Trading Companies*, 32; Digges, *The Defence of Trade* (1615), Title Page. He was also governor of the Russia Company: *ibid.* 16.

⁴ *Court Minutes of the East India Company*, 1599–1603, pp. vii–viii.

⁵ Misselden, *Free Trade* (1622), 13–14.

⁶ Kayll, *The Trades Increase* (1615), 5.

⁷ The stock of one voyage was sometimes transferred to the account of another voyage.

⁸ After the Twelve Voyages (1601–1613), there followed the First Joint Stock (1613), the Second Joint Stock (1617), the First, Second and Third Persian Voyages (1628, 1629, 1630), the Third Joint Stock (1632), the First General Voyage (1641), the Fourth Joint Stock (1642), the Second General Voyage (1648), and the United Joint Stock (1650): Scott, *Joint-Stock Companies*, ii. 123–128.

⁹ *Ibid.* ii. 110.

to raise fresh subscriptions for each enterprise, and to keep its resources fluid since the stock was of temporary duration, so that it could not afford a large expenditure on capital undertakings: and they caused ships belonging to different 'stocks' to compete against one another in the same port, a situation which the natives turned to their own advantage¹. However in 1657 the 'New General Stock' was instituted, and henceforth the Company had a permanent fund at its disposal. The history of the East India Company thus illustrates the two principal stages in the evolution of the joint-stock system. In the first the capital was provided for a single venture, and when the object was achieved the capital was returned to its owners: in the second the duration of the joint stock was extended to include several ventures until finally it became permanent. Some joint-stock undertakings belonged exclusively to the first category, for example, the expeditions fitted out in the reign of Elizabeth to intercept Spanish treasure². Others, like those engaged in industry³, adopted from the start the principle of a continuous stock. The East India Company passed through both phases of development: it began with a system of terminable stocks and gradually evolved a permanent stock. Yet although the East India Company was a joint stock in which anyone could purchase shares, it exhibited some of the marks of a regulated company. The conditions of membership, as defined in 1615, drew a distinction between 'mere merchants' and retailers, the latter paying a higher admission fine⁴, while the sons and apprentices of members were admitted on nominal terms.

*Dutch
rivalry.*

The beginnings of the East India trade were auspicious: the early voyages were attended with considerable profit and the shareholders reaped a handsome return on their investment. But the promise of unbroken success was soon belied, and the Company's career was chequered by misfortune and

¹ *Hist. MSS. Comm. Abergavenny*, 166.

² *Infra*, vol. iii. 210.

³ *Supra*, p. 9.

⁴ 100 marks as compared with £50: Carr, *Select Charters of Trading Companies*, p. xlix. Subsequently the fine was reduced to £5 for all categories (other than sons and apprentices): *infra*, p. 292.

disaster. Apart from the losses incidental to a long sea voyage and trade in distant lands the Company, like the Merchant Adventurers, had to contend with two enemies—the one foreign, the other domestic¹. The foreign enemy was the Dutch East India Company. As early as 1611 the English Company complained that it had “long and patiently endured sundry notorious wrongs and injurious courses at the hands of the Hollanders”, who had “got into their possession divers of the chief places of traffic” in the East Indies, namely, the Spice Islands, and sought ‘wholly to debar’ the English from the trade². As a result of its representations a conference was held between commissioners appointed by James I. and the United Provinces³. The Dutch asserted the right to ‘the sole trade of spices in the East Indies’, basing their claim on prior possession and on the monopoly conferred upon them by their treaties with Indian princes. The English replied that by the law of nations “trade and commerce ought ever to stand free”; and they compared the attitude of the Dutch with the Spaniard’s claim to appropriate the sole trade of the East and West Indies on the plea that his charge had been so great that “no other man ought to thrust his sickle into his harvest”—a contention which the Dutch had refused to accept in the name of free trade and *mare liberum*. For a time the negotiations proved abortive⁴. However, in 1619, in order to compose the differences between the rival companies, a treaty was concluded by which it was agreed that “commerce and traffic shall be free in the East Indies both for the English Company and for that of the United Provinces”⁵. One feature of the agreement was the division of the island of Amboyna between the companies, the Dutch being assigned two-thirds and the English one-third of its trade⁶; but early in 1623 the English merchants in the

¹ For the Company’s domestic enemy, the interloper, see *infra*, p. 303.

² *The First Letter Book of the East India Company*, 429; *State Papers East Indies*, 1513–1616, pp. 231–232.

³ The report of the English commissioners (1615) is printed in *Hist. MSS. Comm. Buccleuch*, i. 166–170.

⁴ See Smythe’s petition: *State Papers Domestic*, 1619–1623, p. 109.

⁵ Rymer, *Foedera*, xvii. 170 *seq.*

⁶ *Ibid.* 172.

island were arrested and ten of them were executed¹. The 'massacre of Amboyna' created a deep impression in England, and the Government issued orders for the seizure of the ships and goods of the Dutch Company².

*Dutch
ascend-
ancy.*

The rivalry of the English and Dutch Companies forged a link in the chain of events leading up to the First Dutch War³, yet in spite of their defeat the Dutch continued to retain their ascendancy in the Eastern trade. An English consul stated in 1661: "They reign in the South Seas at pleasure and have most part of the trade thereof in their own hands. The Spice Islands . . . with the trade of Japan and China are wholly theirs. . . . Last year the sale of their goods did amount to above £200,000"⁴. The following year the president of the factory at Surat wrote that "the Dutch at this time in India are the only lords of the sea and sea coasts in all places where they trade. . . . They have so far of late prevailed upon the Portuguese that not above five sail of ship in a year are employed by that nation", while "the English East India affairs are brought to that pass that they have neither honour nor reputation in that country"⁵. Shortly afterwards it was reported that the Dutch, masters of the Spice Islands, now laid claim to the 'pepper countries' and prevented the natives from supplying the English factories with their staple commodity⁶. The institution of a permanent joint stock in 1657 ultimately provided the English Company with the resources to maintain fortified places, and enabled an association of traders to lay the foundations of a military empire. Economic rivalry between European competitors became merged in a conflict for territorial dominion; but with this momentous political development, and the form which it took of a duel between England and France, we are not here concerned.

¹ "A True Relation" in *State Papers East Indies, 1622-1624*, pp. 303-304, 315.

² *Hist. MSS. Comm. Cowper*, i. 172, 186, 290..

³ In 1654 the Dutch consented to give compensation for the massacre: Bruce, *Annals of the East India Company*, i. 489-491. It formed the subject of Dryden's "Tragedy of Amboyna".

⁴ *Hist. MSS. Comm. Finch*, i. 151.

⁵ *Ibid.* i. 209-210.

⁶ *Ibid.* i. 273, 329 (1663-1664). According to Davenant they had "almost three parts in four of the pepper trade": *Works* (ed. 1771), i. 120.

The controversies raised by the East India trade had a profound influence upon the development of economic thought. The issues involved, such as the export of bullion and the theory of the balance of trade, were not new ; but a fresh stimulus was given to their discussion. The policy of the Company challenged many of the accepted maxims of foreign commerce and compelled a re-statement, and in some cases even an abandonment, of existing economic doctrines. In the economic, as in the constitutional, field practical problems provided a concrete basis for the formulation of new principles, and determined alike their scope and application. The criterion of foreign trade was its reaction upon the national economic system in respect of three things : bullion, navigation, and industry. The Company was attacked on the ground that it had ' the worst foundation of all the trades we drive ' ¹ because it exported bullion, diminished the naval resources of the kingdom, and competed with native manufactures. At the same time it encountered the hostility of those who opposed the confinement of a lucrative traffic to an exclusive corporation. The defence of the Company inspired the pen of Mun, Child and Davenant, among other writers, and paved the way for a better understanding of economic phenomena.

It was estimated at the end of the seventeenth century that the gold and silver ' carried away and sunk in the East Indies ' amounted to one hundred and fifty million pounds, and that Europe would have been " richer by full one-third if that trade had never been discovered " ². Whatever the value of the calculation, it indicated a point of view which had been debated at length throughout the century. The peculiarity of the East India trade was that it absorbed the precious metals in excessive quantities. The Company was at pains to open up a trade in cloth and lead ; and, according to Sir Dudley Digges, the " greatest fleet that ever yet the Company set forth " carried in 1614 a cargo of £36,000 made up as follows—cloth, £14,000 ; lead, iron and foreign

¹ Pollexfen, *England and East India inconsistent in their Manufactures* (1697), 15.

² Davenant, *Works* (ed. 1771), i. 91.

merchandise, £10,000; 'ready money', £12,000¹. But Sir Thomas Roe, the English ambassador at the court of the Great Mogul, wrote home in 1616: cloth and lead "are dead commodities and will never drive this trade; you must succour it by change"². The right to 'succour it by change' had been conceded in the Company's charter which allowed £30,000 to be exported³. The apologists for the Company stressed the limitation of the licence to foreign silver⁴; yet, apart from the possibilities of evasion, once the principle was admitted that bullion might be exported the way was opened for further concessions. For one thing, the amount was increased to £60,000 per annum in 1616 and to £100,000 in 1617, on the ground of "the enlargement of the trade . . . and because there was found by experience, for divers years, no detriment or inconvenience that had grown to the commonwealth by such transportation of foreign coin"⁵. Next the export of gold was permitted: thus in 1627, when the Company was unable to supply itself with foreign silver owing to the interruption of trade with Spain, it was licensed to export £30,000 in foreign gold⁶, and later in the year it was allowed to transport even gold 'in English specie'⁷. In 1629 it was authorized to export as much as £120,000 per annum in gold, of which one-third could be English⁸.

Uncertainty as to the amount.

The recorded figures do not, however, disclose the whole situation. Mun, who had access to the Company's books, declared that between 1601 and 1620 there was shipped away only £548,090, "whereas by licence they might have exported in that time £720,000"⁹. This implies that the Company

¹ Digges, *The Defence of Trade* (1615), 46.

² Roe, *Journal of his Voyage to India* in Churchill, *A Collection of Voyages and Travels* (1704), i. 807.

³ *Supra*, p. 271.

⁴ Mun, *A Discourse of Trade from England unto the East Indies* (1621), 20.

⁵ The amount was fixed irrespective of the number of voyages: *State Papers Domestic*, 1611-1618, p. 379; 1660-1661, p. 308. *House of Commons Journals*, vi. 514.

⁶ February 1627: Rymer, *Foedera*, xviii. 843-844; xix. 386.

⁷ March 1627: *State Papers Domestic*, 1627-1628, pp. 101, 564.

⁸ *Ibid.* 1629-1631, p. 76. But the amount varied: Rymer, *Foedera*, xx. 298.

⁹ Mun, *A Discourse of Trade from England unto the East Indies* (1621), 20; *State Papers East Indies*, 1622-1624, p. 69.

did not avail itself of its full powers : but Mun's statement is not conclusive as to the actual amount of bullion employed in the East India trade. It records only the quantity exported by licence, not what was shipped clandestinely¹; nor does it include the Spanish bullion intercepted by the Company, that is, stopped from coming into this country and diverted to the East². After the Restoration the Company exerted its influence to bring about a momentous departure from the traditional policy of the State in the general right established by law to export foreign coin or bullion³. There followed a marked increase in the quantity of bullion shipped to India, though the evidence is conflicting as to the amount. A statement drawn up on behalf of the Company in 1674, 'in answer to exaggerated reports', gave an average of about £166,000 for the preceding seven years⁴. The Commissioners for Trade and Plantations, on the other hand, stated that the bullion entered by the Company in the years 1675 to 1685 was about £400,000 per annum⁵, which is also the amount mentioned in a pamphlet written in 1677 in the Company's defence⁶. The figures for the eighteenth century are noticed below⁷.

The export of bullion was bound to raise opposition in view of the current economic doctrines. Complaint was made as early as 1615 in a famous pamphlet, *The Trades Increase*, of which the author, hitherto unknown, was Robert Kayll⁸: "Let the whole land murmur at the transport of treasure

Opposition to the export of bullion.

¹ *The Belgicke Pismire* (1622), 65, asserts that silver was exported 'by stealth'. See also *infra*, p. 280, and p. 314, note 2.

² *House of Commons Journals*, i. 528; Rymer, *Foedera*, xvii. 414-415; *Hist. MSS. Comm. Beaulieu*, 107. And *infra*, p. 314, note 2.

³ *Infra*, vol. iii. 73. The change of policy was attributed to the Company in *A True Relation of the Rise and Progress of the East India Company*, 1.

⁴ *State Papers Domestic*, 1673-1675, p. 494. The amount varied from £128,605 in 1667-1668 to £187,458 in 1669-1670.

⁵ *House of Commons Journals*, xii. 433. Similarly: Pollexfen, *England and East India inconsistent in their Manufactures* (1697), 6.

⁶ *The East India Trade a most profitable Trade to the Kingdom* (1677), 7-8.

⁷ *Infra*, p. 314.

⁸ The name is also spelt Keale. The authorship is disclosed in a recent volume of *Acts of the Privy Council*, 1615-1616, pp. 99, 107-108. The pamphlet aroused the indignation of the Company, and was considered by the lawyers as 'very dangerous': *State Papers East Indies*, 1513-1616, pp. 381, 385. Digges replied to it in *The Defence of Trade* (1615).

and bring in Charles the Fifth's opinion, speaking to the Portuguese of their trade to the East Indies, who said that they were the enemies to Christendom for they carried away the treasure of Europe to enrich the heathen " ¹. The industrial depression, which began in 1620 ², directed attention to the Company, since the crisis was attributed to a scarcity of money for which the East India trade was held partially responsible ³. The commissioners appointed to investigate the causes of the widespread unemployment were instructed to " consider by what means that trade which is specious in show may really and truly be made profitable to the public without exhausting the treasure of our kingdom " ⁴. The attacks upon the Company were continued throughout the seventeenth into the eighteenth century. Defoe, for example, wrote that " exporting such quantities of bullion in specie must certainly make it a public nuisance, a burthen to trade, and a danger to the nation " ⁵. As late as 1704 the House of Commons resolved " that a restraint be laid upon the exportation of bullion to the East Indies " ⁶. Its action is explained in a contemporary letter : " Parliament has been hard upon the East India Company about the exportation of bullion. Our war with Spain, by hindering the importation of bullion, has made it very scarce here ; nevertheless the Company procure sufficient for their use, as they say, from Holland. It has been thought, however, that they melt down English coin and send it by stealth to Holland in order to bring it back as foreign bullion ; and Parliament to-day, after debate, has restrained them from exporting it to a greater value than £150,000, unless in manufactures. This is a fatal stroke to them " ⁷.

To meet the criticisms of the bullionists, the Company adopted the line of argument most likely to influence the economic opinion of the day. Elizabeth's charter had stipulated that the Company should return home as much ' value

¹ Kayll, *The Trades Increase* (1615), 32.

² *Infra*, vol. iii. 305.

³ *House of Commons Journals*, i. 510, 527-528.

⁴ Rymer, *Foedera*, xvii. 415.

⁵ Defoe, *A True Collection of the Writings* (ed. 1703), 266. But in *Robinson Crusoe* he described money as a drug.

⁶ *House of Commons Journals*, xiv. 285.

⁷ *Hist. MSS. Comm. Fortescue*, i. 9-10.

in bullion of gold or silver or other foreign coin ' as it took out¹. The Company claimed to do more than this: it affirmed that it imported more Eastern goods than this country consumed, and the surplus, when sold abroad, returned home more bullion than had been exported to India. Some writers contented themselves with a general assertion that the East India trade increased ' the stock of the commonwealth ' ². Thus Malynes wrote in 1622: " When the Indian commodities are sent from England . . . and are sold for ready money, the same is employed again upon currants, wines, cotton wool and yarn . . . yet a great proportion remaineth to be brought over in moneys. . . . By this trade the treasure of the realm can greatly be increased " ³. Others attempted to calculate the net addition which accrued to the country's stock of bullion as a result of the East India trade. Mun (1621) estimated that £100,000 in bullion brought back Eastern wares worth nearly £500,000 of which less than one-fourth was consumed at home, leaving about £380,000 worth for export abroad ⁴. After the Restoration a statement, made on behalf of the Company in 1674, put the East India goods re-exported abroad at double the value of the bullion sent out to India ⁵. Child (1681) declared that above four-fifths of the commodities were re-exported into foreign parts, " by the returns of which more than treble the bullion is imported " ⁶; and Davenant (1697) assumed that one-half was re-exported and increased in value four-fold ⁷. Finally, the Company in 1696 computed that " at

¹ *The First Letter Book of the East India Company*, 186.

² Digges, *The Defence of Trade* (1615), 43.

³ Malynes, *The Maintenance of Free Trade* (1622), 28. Similarly: *The Petition and Remonstrance of the . . . Merchants of London trading to the East Indies* (1628), 30; Houghton, *England's Great Happiness: or a Dialogue between Content and Complaint* (1677), 3-4.

⁴ Mun, *A Discourse of Trade from England unto the East Indies* (1621), 23, 25, 27, 45, 56.

⁵ *State Papers Domestic*, 1673-1675, p. 494. Similarly: *The East India Trade a most profitable Trade to the Kingdom* (1677), 12.

⁶ *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By ΦΙΛΟΘΡΑΨΙΣ (1681), 6. In his *A New Discourse of Trade* (4th ed.), 173, Child affirmed that six times the bullion was returned. In *The East India Trade a most profitable Trade to the Kingdom* (1677), 9, 24, it was said that three-fourths were re-exported.

⁷ Davenant, *Works* (ed. 1771), i. 92, 118. He put exports of bullion and [contd.]

least two-thirds of their imports were exported again, which must bring in at least double of the first cost in India": but its further assertion that "near twice as much bullion or what would cost us our money" was "imported again by the benefit of this trade" was an admission that the returns were not made entirely in bullion¹. All these conflicting statements can only be reconciled by supposing that, where they were not hypothetical, they represented the position as it existed in a particular year. But the assumption on which they were all based, namely, that the East India trade by indirect means augmented the country's stock of precious metals, was challenged as 'bare asseveration'². John Pollexfen, one of the Commissioners for Trade and Plantations, observed: "We must be very credulous if we believe that the India goods exported bring us back as much treasure as that trade carries from us in bullion"³—an opinion shared by others⁴. To some extent the money derived from the sale of Indian goods in Europe must have gone to pay for imports which this trade with the Continent served to stimulate, so that the importation of bullion into England cannot be measured by the value of the re-exports to the Continent of Eastern produce⁵. In this connexion the figures given in a report of the Commissioners for Trade and Plantations covering the years 1699–1702 are significant because they show that, in these years at all events, the average export of bullion exceeded in value the re-exports of East India goods⁶: but allowance must be made for the Company's heavy losses at sea⁷.

Although the export of bullion was defended on the plea

goods to India at £400,000, and assumed that half the returns from India fetched abroad £800,000. The Commissioners for Trade and Plantations estimated that one-half was re-exported: *House of Commons Journals*, xii. 433.

¹ *House of Lords MSS.* 1695–1697, p. 54.

² *A True Relation of the Rise and Progress of the East India Company*, 2.

³ Pollexfen, *England and East India inconsistent in their Manufactures* (1697), 11.

⁴ Cary, *An Essay towards Regulating the Trade* (ed. 1719), 45.

⁵ *Britannia Languens* (1680), 143 (in sect. vi).

⁶ The bullion was £670,000 and the re-exports £635,000 (round figures): *House of Commons Journals*, xviii. 676–677.

⁷ *House of Lords MSS.* 1695–1697, p. 64.

that it promoted a favourable balance of trade which enriched the nation, the real motive for the concession was that if the Indians would not buy our goods "they must have our money", or we must abandon the trade to the Dutch who would "undoubtedly engross the whole" ¹. Nevertheless, in order to disarm criticism, the Company sought to create a market in the East for native commodities. Its factors were instructed to seek out "what sorts and kinds of all cloths, kersies and woollen commodities are there most vendible with the colours and kinds, and in what places by name they may be best and in most abundance uttered [sold]" ². Sir Thomas Roe advised the Company in 1616 that cloth and lead were unsaleable ³, yet Mun asserts that in the space of nineteen years (1601-1620) the export of commodities, including cloth, lead and tin, amounted to more than one-half the value of the bullion—£292,286 as against £548,090 ⁴. On the basis of these figures the Company was justified in claiming that the goods exported to India 'yielded half the value' of the money which it was licensed to send out of the country. It would therefore appear that the effort to find an outlet for woollen fabrics in India was not altogether fruitless, and an early traveller noticed the sale of English kersies in Bengal ⁵. But the Indian demand, though stimulated at first by the novelty of the commodity ⁶, was necessarily limited, and the Company encouraged the search for a new route to India in the hope of finding a market for cloth. The attempts to discover a North-West or North-East passage originated largely in this illusory prospect. Thus in 1541, according to the report of Chapuys, the Privy Council deliberated about "sending out two ships to discover a

*Export of
English
com-
modities.*

¹ Houghton, *England's Great Happiness: or a Dialogue between Content and Complaint* (1677), 4; Davenant, *Works* (ed. 1771), i. 94.

² *The First Letter Book of the East India Company*, 150 (1607).

³ *Supra*, p. 278.

⁴ Mun, *A Discourse of Trade from England unto the East Indies* (1621), 20; *State Papers East Indies*, 1622-1624, p. 69. For a criticism of Mun's bullion figures, see *supra*, p. 279.

⁵ "Notes of a [Dutch] Voyage to the Indies", in *The First Letter Book of the East India Company*, 85.

⁶ The Company's agents found that the novelty soon wore off: *Letters received by the East India Company from its Servants in the East* (ed. Foster), ii. 97.

passage between Iceland and Greenland, where it was thought the great cold would cause a good sale for woollen cloths" ¹. Shortly after its foundation the East India Company for the same reason financed a voyage, in co-operation with the Russia Company, for the "discovery of a passage by seas into the East Indies by the North-West through some part of America" ². The expedition proved a failure, and henceforth the task of finding a North-West passage was left to others ³.

*Trade with
China and
Persia.*

None the less the Company did not relax its efforts to open up new markets in order to still 'the clamours that lie upon this traffic' ⁴; and a measure of success was achieved in two directions—China and Persia. The secretary of state noted in 1677 that "in China they do pretty well" ⁵; but in Japan, where Captain John Saris was sent by the Company as early as 1611 ⁶, forty thousand pounds were expended fruitlessly after the Restoration in an attempt 'to settle a trade' ⁷. Interest in Persia was awakened in the second half of the sixteenth century. The Russia Company sent out six expeditions between 1561 and 1579 in order to establish

¹ *Letters and Papers, Foreign and Domestic, of Henry VIII.*, vol. xvi. 410.

² *The First Letter Book of the East India Company*, 21, 158; *Court Minutes of the East India Company, 1599–1603*, pp. 182–183, 194–195.

³ As late as 1745 an Act of Parliament offered a reward, and an expedition was sent out the following year: Macpherson, *Annals of Commerce*, iii. 244, 253. See also *infra*, p. 360.

⁴ Davenant, *Works* (ed. 1771), ii. 146, 160.

⁵ *State Papers Domestic, 1677–1678*, p. 364. "After many attempts and expenses": *The East India Trade a most profitable Trade to the Kingdom* (1677), 22. For efforts to open up trade with China in the seventeenth century, see Morse, *The Chronicles of the East India Company Trading to China*. Defoe notes that 'a small quantity' of woollen manufactures went to China: *The Complete English Tradesman* (ed. 1727), ii. part ii. 65. The Company exported Devonshire serges: *Transactions of the Devonshire Association*, viii. 336; Risdon, *The Chorographical Description of Devon* (ed. 1811), p. xxiii.

⁶ This was the Eighth Voyage: *The First Letter Book of the East India Company*, 396, 411. For the early attempts to open up trade with Japan and for Saris's voyage, see *The Voyage of Captain John Saris to Japan* (Hakluyt Society Publications). In *East India Trade: A True Narration* (? 1641), 12, it is stated: "Our cloth there [Japan] is in very great esteem, and sold at excessive dear rates".

⁷ *State Papers Domestic, 1677–1678*, p. 364. The amount is given at £50,000 in *The East India Trade a most profitable Trade to the Kingdom* (1677), 22; and in Davenant, *Works* (ed. 1771), ii. 152. The date was about 1674.

a trade with Persia through Russia, the first being undertaken by Anthony Jenkinson¹. These early attempts did not succeed, yet a letter written by Sir Thomas Sherley to his son Anthony in 1600 shows that hopes of commercial intercourse with Persia were still cherished: "By your next I desire to know the names of the ports of Persia that adjoin to the South Sea within the Capa de Bona Speranza. Then, with what safety or warrant merchants may come thither; what English wares are most in the request there; whether there be any good means to renew victuals there; what commodity there is of new repairing of ships with cordage"². Early in its career the East India Company instructed Sir Thomas Roe to take steps to open up a trade with Persia for silk³; some factors were sent there from India in 1616 to procure privileges from the Shah⁴; and subsequently Persian ambassadors found their way to England armed with proposals for inaugurating commercial relations⁵. "This proposed trade", commented a contemporary (1626), "must depend upon the goodwill of the leading merchants, and it must involve a great expense even to make a beginning. It will not therefore be surprising if, after some time spent in discussion, it should end in smoke"⁶. The First Persian Voyage was made in 1628⁷, and a few years later it was said that "the trade with Persia goeth prosperously on"⁸.

This invasion of a sphere, which the Levant Company claimed as its monopoly, gave rise to a conflict between the two companies, which came to a head after the Revolution when Parliament insisted that the East India Company

¹ See *Early Voyages and Travels to Russia and Persia* (Hakluyt Society Publications). Also *infra*, p. 329.

² *Hist. MSS. Comm. Salisbury*, x. 3.

³ *The First Letter Book of the East India Company*, 455 (1614). For Roe, see *supra*, p. 278.

⁴ *Letters received by the East India Company from its Servants in the East*, iv. 220, and vols. v. and vi. *passim*.

⁵ Of the Persian ambassador in 1624 it was said that "our merchants esteem no better of him than a juggler": *Hist. MSS. Comm. Cowper*, i. 172. In 1626 two ambassadors professed to speak in the name of Persia: *ibid. Shrine*, 47.

⁶ *Ibid. Shrine*, 50.

⁷ *Supra*, p. 273, note 8.

⁸ *Hist. MSS. Comm. Cowper*, i. 448.

*Invasion
of the
sphere of
the Levant
Company.*

should export English commodities to the value of £100,000. The Company pointed out the difficulties of fixing any precise limit: "It may do this in some years and sometimes more; and sometimes not so much when their cloth lies unsold and is eaten up with moths and white ants in India. This ought for the public good to be left to the Company's discretion"¹. But, in spite of its remonstrance, the obligation was imposed upon the Company by a clause in the charter of 1693²; and every season it bought up large quantities of West Country cloth³. The unexpected sequel is related in a complaint made by the Levant Company: "Not finding an advantageous vent for them in India, they have afterwards transported a great part thereof to Persia . . . formerly supplied with draperies from the Turkey Company's factories at Constantinople, Smyrna, and principally Aleppo". Hence, while appearing to comply with the clause in its charter, the East India Company frustrated its intention since the Persian trade of the Levant Company was proportionately diminished⁴. Thus the bullion controversy ended with the curious result that the East India Company was compelled by Parliament to export English goods of a certain value, and it was only able to do so by invading the markets of another company⁵.

*Imports
of the
Company.*

While the exports of the East India Company were assailed on the ground that they drained the country of specie, and provided no adequate outlet for native commodities, the imports were variously appraised accordingly as they supplemented the national products or competed with them. They consisted of spices and 'healthful drugs' including cloves, maces, nutmegs and pepper; saltpetre; indigo for dyeing cloth; cotton yarn, raw silk and calicoes⁶; and, at a later

¹ *House of Commons Journals*, x. 704 (1692).

² *Infra*, p. 309.

³ *House of Commons Journals*, xi. 529, 623 (1696). In the twelve years ending 1714 woollen fabrics accounted for three-fourths of the goods in value, the rest being lead, tin, iron, etc.: *ibid.* xviii. 676-677.

⁴ *Ibid.* xii. 436 (1698). A temporary decline in the Persian trade of the Levant Company might be masked by an increase in its Turkish trade.

⁵ *Infra*, p. 348.

⁶ *The First Letter Book of the East India Company*, 59-60, 405-410; Digges, *The Defence of Trade* (1615), 41; Mun, *A Discourse of Trade from England unto the East Indies* (1621), 5, 7; *State Papers Domestic*, 1625-1626.

[*contd.*]

date, coffee and tea¹. It was commonly admitted that in general these commodities, with the conspicuous exception of calicoes, were 'of necessary use'²; but it was disputed whether a joint-stock company, which monopolized the whole trade, was the cheapest method of supplying the nation with its requirements. It was argued that the Company, as the sole seller of Indian commodities in England, was able to keep up prices by the restriction of imports or by their re-exportation abroad. This charge was repeatedly brought against the East India Company³, as indeed against all the trading companies. The reply was made that the price of Indian commodities had fallen considerably—for example, pepper, formerly four shillings the pound, was reduced to two shillings, 'and so likewise of divers wares'⁴. The claim was justified as regards the prices which prevailed when the Dutch had the trade in their own hands⁵; but to say that "foreign commodities bought in remote countries cost the kingdom a great deal less money than they do in the neighbour nations"⁶, while no doubt true, did not meet the objection that competition among English traders would reduce prices still further. The Company contended that under an open trade merchants would compete against one another at home and abroad to their common detriment: the introduction of competition would mean "paying dear for our native commodities here and selling them cheap abroad, and buying foreign commodities dear abroad and selling them for less than they cost, to the

p. 109; *Hist. MSS. Comm. Cowper*, ii. 162 (1637). For saltpetre, see *State Papers Domestic*, 1655, p. 387.

¹ Wood, *A Survey of Trade* (1718), 93; *House of Commons Journals*, xxv. 114. Also *infra*, p. 314.

² Kayll, *The Trades Increase* (1615), 32, dissented from this opinion.

³ *Ibid.* 53; *The Present Interest of England Stated. By a Lover of his Country* (1671), 9-10; *Britannia Languens* (1680), 72 seq.; *A Letter to a Friend concerning the East India Trade* (1696), 6-8.

⁴ Digges, *The Defence of Trade* (1615), 44. In a proclamation of 1609 the price was not to exceed 2s. 6d.: *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1087. Later it fell to 1s. 8d.: see Mun (*A Discourse of Trade from England unto the East Indies*, 1621, pp. 23-24, 44), who gives the former and present (1621) prices of Indian spices, etc.

⁵ Though it was sometimes denied: Kayll, *The Trades Increase* (1615), 32; *Hist. MSS. Comm. Beaulieu*, 107 (*temp.* James I.).

⁶ *Hist. MSS. Comm. Cowper*, i. 154 (c. 1623).

ruin of those who trade and destruction of the trade itself " ¹. In that case, it was answered, the nation gained both ways since native goods went up in price and foreign goods went down in price ; and Child's admission was seized upon that one must " distinguish between the profit of the merchant and the gain of the kingdom, which are so far from being always parallels that frequently they run counter, one to the other " ². It was also pointed out that the merchants engaged in the coasting trade between Indian ports " do not ruin themselves, nor do they lose the trade or give away all the profit to the natives " ³.

Imports
tion of
calicoes.

Apart from the general question of prices, the weight of national disapproval fell most heavily on one commodity imported from the East. No allegation against the Company was more damaging than that, while it failed to stimulate home industries by its exports, it entered into competition with them by the importation of calicoes. Misgivings on the subject were expressed early in the history of the Company ⁴, but it did not become a burning question until the close of the seventeenth century. When the Company was supplanted in the spice trade by the Dutch, and even pepper became a losing trade ⁵, calicoes assumed a larger place among the imports. " Calicoes ", the secretary of state observed in 1677, " are their great riches in which they infinitely outdo the Hollander " ⁶. The growth of this trade

¹ *A Discourse concerning the East India Trade*, in Somers, *Tracts* (ed. 1813), x. 641 ; *The East India Trade a most profitable Trade to the Kingdom* (1677), 24 ; Davenant, *Works* (ed. 1771), ii. 128.

² Child, *A New Discourse of Trade* (4th ed.), pp. xl-xli.

³ *A Discourse concerning the East India Trade*, in Somers, *Tracts* (ed. 1813), x. 643.

⁴ Even by Digges, *The Defence of Trade* (1615), 41. Calicoes are mentioned in the instructions for the Second Voyage (1604) : *The First Letter Book of the East India Company*, 59.

⁵ *State Papers Domestic*, 1677-1678, p. 363 ; *House of Lords MSS.* 1695-1697, p. 52 ; Davenant, *Works* (ed. 1771), i. 87.

⁶ *State Papers Domestic*, 1677-1678, p. 364. In 1677 the Company's imports consumed in England were said to be—pepper, £6000 ; indigo and other drugs, £15,000 ; saltpetre, £30,000 ; silks raw and manufactured, £30,000 ; calicoes, £160,000. Thus calicoes accounted for two-thirds : *The East India Trade a most profitable Trade to the Kingdom* (1677), 9. Contrast Mun who in 1621 gave the annual consumption of pepper as £33,333 ; other spices, £38,000 ; and indigo, £37,000 : *A Discourse of Trade from England unto the East Indies*, 44.

brought the Company into open collision with the vested interests represented by the woollen manufacturers, and provoked a conflict which excited more passionate declamation and actual violence than any other issue raised by the East India trade ¹.

The critics had more than one string to their bow : and the effects of the East India trade on navigation figured prominently in the indictment framed against the Company. " This honourable enterprise," wrote Sir Dudley Digges in 1615, " like Hercules yet in the cradle, in the infancy hath been assailed by serpents' sly aspersions, which envy long since whispered in the ears of ignorance, of killing mariners and carrying out the treasure of the land " ². It was conceded that the Company built " goodly ships of such burthen as never were formerly used in merchandise " ³; so that at first sight it appeared to add both strength and glory to the kingdom. But where, it was asked, were all these ships ? In thirteen voyages four had been lost—one of them, *The Trades Increase*, a vessel of eleven hundred tons, " for beauty, burthen, strength and sufficiency surpassing all merchant ships whatsoever " ; while the rest came home ' crazed and broken ' ⁴. Other losses are on record. In 1620 a ship worth £16,000 went down between Gravesend and London ; another was ' cast away ' near Dover in 1625 ; a third sank in 1628, with a cargo worth £80,000, in ' the Dutch seas ' ⁵. Mun's ' true account of our ships ' suggests that Dutch enmity was more to be feared than the perils of the deep. " Since the

*Effects
of the East
India trade
on navigation.*

¹ See *infra*, vol. iii. 36 *seq.*

² Digges, *The Defence of Trade* (1615), 3.

³ Kayll, *The Trades Increase* (1615), 15. In 1695 the Company stated : " Our ships are hired ships. The proprietors of them have shares in the Company. We contract for them for 16 years, which is as long as the ship will last. They are built purposely for us " : *House of Lords MSS.* 1695-1697, p. 12. See *infra*, Appendix, p. 498, No. 3.

⁴ Kayll, *The Trades Increase* (1615), 15, 19-20. " The goodliest ship of England " : *State Papers East Indies*, 1513-1616, pp. 296-297, 366. She was one of three ships in the Sixth Voyage (1610), and was set on fire by the natives at Bantam and destroyed : *The First Letter Book of the East India Company*, pp. xiv, 47, note. But she was already worn out owing to the bad condition of her masts and yards : *State Papers Domestic*, Addenda, 1580-1625, p. 648. See *infra*, Appendix, p. 499, No. 1.

⁵ *State Papers Domestic*, 1619-1623, p. 131 ; 1625-1626, p. 109 ; *Hist. MSS. Comm. Shrine*, 172 (1628). The Dutch also suffered losses—they lost two out of five ships in 1613 : *ibid. Buccleuch*, i. 146.

beginning of this trade until . . . 1620 there have been sent thither seventy-nine ships in several voyages. Whereof thirty-four are already come home in safety richly laden ; four have been worn out by long service from port to port in the Indies ; two were overwhelmed in the trimming there ; six have been cast away by the perils of the seas ; twelve have been taken and surprised by the Dutch, whereof divers will be wasted and little worth before they be restored ; and twenty-one good ships do still remain in the Indies " ¹. The enemies of the Company also alleged that timber had risen in price owing to the building of great ships for the Indian trade. " Nay," it was " almost not to be had for money " : a ' parricide of woods ', it was termed. Nor did any benefit accrue to the State from the extensive consumption of timber, because the ships were engaged on distant voyages and in a national emergency would not be at hand to render service. " Either they are not here, or else they come home very weak and unserviceable " ². The Company met these criticisms with a denial that the price of timber had increased owing to the Indian trade, or that the voyages were " so dangerous and mortal as is reported ". In any case trees were for use : ships were ' not made to stay at home ' : and mariners " were better die in the East Indies than here at home at Tyburn or at Wapping for want of means to live " ³. It was claimed that ships returning from India could be put in readiness for war in a short time, and that the Company was well prepared on all occasions to serve the State with ' warlike provisions '—timber, naval stores, ordnance, and victuals ready packed, which were always kept in its store-houses and dockyards ⁴.

The Indian trade unquestionably gave an impulse to the art of navigation since it demanded ships of greater burden than did the Baltic or Levant trade. The ships of the Levant Company ranged from 100 to 350 tons ⁵, but in the First

¹ Mun, *A Discourse of Trade from England unto the East Indies* (1621), 38.

² Kayll, *The Trades Increase* (1615), 17-18 ; Mun, *op. cit.* 29.

³ Digges, *The Defence of Trade* (1615), 28, 32 ; Mun, *op. cit.* 30-37.

⁴ Mun, *op. cit.* 31-32 ; *The Petition and Remonstrance of the . . . Merchants of London trading to the East Indies* (1628), 2-6.

⁵ A list is given in *Tudor Economic Documents* (ed. Tawney and Power), ii. 69. Cf. Justice, *A General Discourse of Commerce* (1707), 3.

Voyage to India (1601) the largest ship was 600 tons burden and in the Sixth Voyage (1610) 1100 tons ¹. In the seventeenth century the East India Company had about thirty ships ², supplemented by the small craft engaged in coasting from port to port in Indian waters; and these, together with 'expert mariners', represented "a clear addition to the kingdom's former strength when we used not the trade" ³. It was remarked in 1677 by the secretary of state that "they never use a ship above seven years in that trade, but then turn her off to other trades", and "one built of the force and strength of those in the East India trade will serve well thirty years in any other trade, by which it appears how this trade fills the nation with great ships" ⁴. A century later a parliamentary committee reported that the Company's ships had increased in thirty years from thirty to ninety; the tonnage had also expanded; and the ships were allowed only to go four voyages which were performed on an average in twelve years ⁵. The committee attributed the scarcity of timber for ship-building, in part, to the East India trade; and the Company was forbidden (1772) to build any new ships in England until its tonnage was reduced to 45,000 tons ⁶.

*Stimulus
given to
the art of
navigation.*

While particular aspects of the East India trade evoked criticisms, the whole basis on which it was conducted was openly challenged. It was generally conceded that some system of regulation was necessary in carrying on trade with remote countries, but a fundamental issue was raised in the controversy whether it should assume the form of a joint-

¹ *Court Minutes of the East India Company, 1599-1603*, p. 263; Kayll, *The Trades Increase* (1615), 19; *Hist. MSS. Comm. Cowper*, i. 113.

² *State Papers Domestic, 1628-1629*, p. 353; 1673-1675, p. 494; 1677-1678, p. 363. Somewhat higher figures are given in *An Answer to Two Letters concerning the East India Company* (1676), 11; *The East India Trade a most profitable Trade to the Kingdom* (1677), 7; *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By Φιλοδότης (1681), 41-42.

³ *Hist. MSS. Comm. Cowper*, i. 154; *The First Letter Book of the East India Company*, 470.

⁴ He also noted that "they laid out at one time (*temp.* James I.) £300,000 in building shipping, which was more than King James had then in the navy": *State Papers Domestic, 1677-1678*, p. 363.

⁵ *Reports from Committees of the House of Commons*, iii. 16, 18 (1771).

⁶ It could, however, build vessels in India or the colonies: *Statutes at Large*, viii. 186.

*Joint-stock
and
regulated
companies
compared.*

stock or a regulated company. At first sight the joint-stock company appeared more in the nature of a monopoly than the regulated company. The latter was an association of merchants, each of whom traded separately with his own capital. The former was a corporation which traded as one individual with a capital provided by a number of shareholders, who participated in the profits. In reality the position was more intricate than these definitions imply. A triple barrier guarded admission into the regulated company—a member was required to have served an apprenticeship or in lieu thereof pay a heavy fine ; to carry on the occupation of a merchant ; and to keep aloof from retail trade. No such restrictions were imposed in the case of the joint-stock company. Anyone was free to hold shares in the company, whether ' skilled in trade ' or not. The door was open to all the King's subjects—' noblemen, clergymen, gentlemen, widows, orphans, shopkeepers and all others '—irrespective of whether they were merchants or not ¹. The only conditions of membership were the purchase of an ' action ', or share, and the payment of an admission fine : the former was facilitated by the existence of an active market in shares, the latter had been reduced from fifty pounds to five ². " The whole stock ", affirmed the Company in 1692, " is in a kindly, natural and continual changing motion, insomuch that the value of the whole stock, once in two years or thereabouts, changes owners " ³. It was also denied that the stock was monopolized by a few shareholders ⁴. At the Restoration ' at least nine hundred considerable families ' were concerned in the Company ⁵ ; while a return made in 1682 showed that one-third of the members, who then numbered over five hundred, owned £1000 stock or more ⁶.

¹ *The East India Trade a most profitable Trade to the Kingdom* (1677), 25 ; *House of Lords MSS.* 1695-1697, p. 42.

² Child, *A New Discourse of Trade* (4th ed.), 119-120. This did not apply to sons or servants of freemen : *House of Commons Journals*, x. 704.

³ *House of Commons Journals*, x. 705.

⁴ *Britannia Languens* (1680), 141 (in sect. vi.), asserted that not above 80 persons were ' considerably concerned in the joint stock '.

⁵ *Hist. MSS. Comm.* vii. 81.

⁶ Scott, *Joint-Stock Companies*, i. 308. In 1679 this amount was owned by 223 persons : *ibid.* ii. 142.

Some proprietors had large holdings of stock—as much, it was reported, as sixteen or seventeen thousand pounds ; yet “ if this be true, the complaint of it would sound better out of the mouth of an old leveller than a merchant’s, living under a free and royal monarchy ”¹. Two conclusions appeared to follow. Firstly : that the joint-stock company was ‘ far more national ’² than the regulated company since it opened its ranks to all persons, and far less of a monopoly since its profits were not engrossed by a single section of the community, the mercantile class, but were distributed over a larger area. Secondly : that the joint-stock company afforded greater opportunity than the regulated company for the utilization of the national savings, inasmuch as anyone could invest his capital in a purchase of stock. This was the general tenor of the defence set up by the East India Company in the seventeenth century³, but the argument overlooks several important considerations.

In the first place, the facilities which existed for investors to buy stock did not in themselves bring fresh capital into the Company ; they benefited individual shareholders but did not increase the capital of the undertaking. No doubt the opportunity which a share market provided for the disposal of shares would have served to heighten the attractiveness of a new issue if the Company had wished to enlarge its capital, yet this apparently it did not wish to do. Down to 1657 each enterprise, or series of enterprises, was financed by a separate stock ; the capital raised for the First Voyage (1601) was £68,373, and for the First Joint Stock (1613), £418,691⁴. After 1657 there existed a permanent stock which amounted to £369,891 ; this was doubled in 1682 by the issue of bonus shares⁵. Additional resources were needed ; but instead of increasing its capital the Company raised over half a million in loans⁶ for which it paid 3,

*The stock
of the East
India
Company.*

¹ *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades.* By Φιλοπάτρις (1681), 21.

² *The East India Trade a most profitable Trade to the Kingdom* (1677), 25.

³ It is supported also by Professor W. R. Scott in his invaluable *Joint-Stock Companies*, i. 442, 453.

⁴ *Ibid.* ii. 123, 125, 177.

⁵ *Infra*, p. 295.

⁶ The Company returned the debt at £550,000 in 1681 : Macpherson, *Annals of Commerce*, ii. 604.

4 or 5 per cent.¹, while it earned large dividends on its borrowings. One of the charges against the Company was that "although the stock be not near sufficient to manage even the present trade—and therefore could admit of more depositums of money which would let in a greater number of our people—the Company, to prevent the necessity of it", traded with the treasure of the nation². The Company retorted that it could not persuade its creditors to take back their money; and the credit of a joint-stock company, which could raise money at 3 per cent., was contrasted with that of 'poor private merchants of divided, various and contrary interests', who in competing with the Dutch would be handicapped by having to pay 6 per cent.³. One reason why the Company was able to raise money on such advantageous terms is disclosed in a contemporary letter (1679): "The advantage here with the Company is that though they give bond for payment at six or three months' call, yet one may have it at any time when one will in a week"⁴. The Company did not issue new stock for public subscription until the last decade of the seventeenth century when its capital was raised to £1,574,608: after the union with 'the New Company' it was further increased to £3,163,000⁵. But this enlargement of the Company's stock must not be taken to imply a corresponding increase in the resources available for the East India trade since most of it went in a loan to the Government⁶, and the Company was compelled to borrow money to carry on the trade⁷.

In the second place, a distinction must be drawn between the profits earned by the Company and the actual gain which accrued to the investing public. The disparity will serve to

¹ For interest at 3 per cent.: Houghton, *Husbandry and Trade Improv'd* (ed. 1728), iv. 152 (c. 1681). For over 3 per cent.: *ibid.* 154; *State Papers Domestic*, 1664–1665, p. 565; *Hist. MSS. Comm. Egmont*, ii. 85 (1679).

² *Britannia Languens* (1680), 141 (in sect. vi.); Pollexfen, *England and East India inconsistent in their Manufactures* (1697), 39; *House of Lords MSS.* 1695–1697, p. 47.

³ *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades.* By *Φιλοδότης* (1681), 33; Macpherson, *Annals of Commerce*, ii. 604.

⁴ *Hist. MSS. Comm. Egmont*, ii. 85.

⁵ Scott, *Joint-Stock Companies*, ii. 177, 206. For the New Company, see *infra*, p. 309.

⁶ *Infra*, p. 310.

⁷ *Hist. MSS. Comm. Portland*, iv. 263.

show that the latter did not compensate for the exclusion of *its profits*. individual enterprise. The profits of the East India trade during the first half of the seventeenth century cannot be exactly determined, because the system of terminable stocks was in operation. It has been calculated that the annual rate of profit on the capital employed in the Twelve Voyages and the First Joint Stock (1601-1613) averaged about 31 per cent.; the Second Joint Stock (1617) and the First Persian Voyage (1628) earned 3 per cent.; the Second and Third Persian Voyages (1629-1630) 20 per cent.; the Third Joint Stock (1632) under 5 per cent.; and the United Joint Stock (1650) 17½ per cent. The year 1657 saw the institution of a permanent fund, the 'New General Stock', which earned an average rate of about 18 per cent. down to 1682 when the Company issued bonus shares which doubled its stock. During the next ten years the average rate was 20 per cent. on the doubled stock, an equivalent of 40 per cent. on the original stock¹. But the actual return on his capital received by an investor depended on the price he paid for his stock. In the decade 1682-1692, for example, when the average rate was 20 per cent., a common price for £100 stock was £300², so that the purchaser obtained only 6⅔ per cent. on his investment; and since contemporaries considered even 20 per cent. 'not a profit to be envied' in view of the length and hazard of the voyages³, still less was 6 to 8 per cent. likely to satisfy the merchant who wished to invest his capital in the East India trade⁴. And further, the price of stock fluctuated considerably. To take three extremes—it was £60 in 1664; £500 in 1685; £33½ in 1698⁵. This made the investment of capital highly speculative: a fact which must be taken into account

¹ A parliamentary committee, which inspected the Company's books, reported that from 1657-1693 it distributed 800 per cent. See *State Papers Domestic*, 1698, pp. 299-300; *House of Commons Journals*, xii. 311-312; Davenant, *Works* (ed. 1771), i. 117; Scott, *Joint-Stock Companies*, i. 195-196, 223, note 3, 258, 318; ii. 123-128, 177-179.

² As it also was earlier: *State Papers Domestic*, 1677-1678, p. 363; Scott, *Joint-Stock Companies*, i. 318. Professor W. R. Scott takes a slightly shorter period which makes the return 8½ per cent.

³ Davenant, *Works* (ed. 1771), i. 117.

⁴ The Company did, of course, include merchants who "mostly took out their dividends in goods and thus made a second profit" either on the sale of the commodities at home or on their re-export to foreign countries: *Court Minutes of the East India Company*, 1635-1639 (ed. Sainsbury), p. viii.

⁵ Scott, *Joint-Stock Companies*, ii. 178-179.

*Speculative
character
of the
shares.*

in scrutinizing the claim of the Company that the public was enabled to participate in the profits of the East India trade. The tendency of the investor would be to buy when the price of stock was rising, and the subsequent depreciation must have caused heavy losses. "The old East India stock", wrote Defoe, "by the arts of these unaccountable people has within ten years or thereabouts, without any material difference in the intrinsic value, been sold from £300 per cent. to £37 per cent., from thence with fluxes and refluxes as frequent as the tides it has been up at £150 per cent. again; during all which differences it would puzzle a very good artist to prove that their real stock (if they have any), set loss and gain together, can have varied above £10 per cent. upon the whole; nor can any reasons for the rise and fall of it be shown but the politic management of the stock-jobbing brokers; whereby according to the number of buyers and sellers, which 'tis also in their power to make and manage at will, the price shall dance attendance on their designs, and rise and fall as they please without any regard to the intrinsic worth of the stock" ¹. A letter written as early as 1616 indicates that the advantages of membership in the Company were often considered of doubtful value. "For your venture in the East India Company I know not what to say. . . . Your money upon sheep rather than in ships I think is the better adventure" ². It is not surprising, then, that investors were seeking other outlets. "The price of an 'action' or share in the East India Company", runs another letter (1681), "has gone up from the original venture of £100 to £405, so infinitely have they improved it by their excellent management. I should not advise a purchase at the present price, but if you like to take part with me in a ship we are about to build and venture £300 or £400, I have no doubt it will turn to good account since the East India Company will employ her in their service" ³.

In the third place, it would be unsafe to assume that the regulated companies afforded no opportunity for the utiliza-

¹ Defoe, *The Villainy of Stock-Jobbers Detected* (1701), 4.

² *Hist. MSS. Comm. Buccleuch*, i. 250.

³ *Ibid. Rutland*, ii. 62-63.

tion of savings outside those of the mercantile class. We have seen that in the case of the Merchant Adventurers there existed, within the framework of the regulated company, a series of embryonic joint stocks¹, and it is unlikely that the partners in these groups relied exclusively upon their own capital. If the East India Company had been organized on the lines of a regulated company, the opportunity for using non-mercantile capital would not have been wanting. When Davenant contended that a regulated company would fail to attract capital on the same scale as a joint-stock company², he assumed that its members would be limited to their own resources. Actually every ship sent out to India would have been in the nature of a joint stock, as the only possible basis on which the trade could have been conducted: even the capital employed by interlopers was supplied by 'all degrees of persons'³. Thus the issue involved was not, as it was commonly represented, whether a joint stock was the best method of carrying on the trade with India, but whether a single corporation invested with exclusive rights, into which no one could enter unless prepared to buy shares at the market price, was preferable to a series of joint stocks, on a smaller scale, existing concurrently.

And finally, the member of the East India Company merged his individuality in a common body; he could not, with certain exceptions to be noticed later⁴, carry on trade as an independent merchant; if he held office in the Company he assisted in shaping its policy, but he could not act on his own initiative. The regulated company imposed restrictions on its members, yet within the limits set by its regulations they were free to make or mar their fortunes; above all, they were enabled to pursue their avocation as merchants and not merely to draw dividends on their investments as shareholders. A parallel is suggested by the modern Inns of Court. Like the regulated companies they demand evidence of equipment in their examinations, corresponding

¹ *Supra*, p. 227.

² Davenant, *Works* (ed. 1771), ii. 127.

³ *A Letter to a Friend concerning the East India Trade* (1696), 5, 11-12.

⁴ *Infra*, p. 304.

Regulated companies not incompatible with joint stocks.

Discouragement of individual enterprise.

to apprenticeship; they exact admission fees; and they limit their members to one branch of the legal profession, just as merchants were excluded from retail trade. But though the profession of law, in common with other professions, is to some extent a monopoly, the substitution of a vast legal corporation, endowed with the sole right of pleading in the courts, would be considered a greater monopoly, even if—as a compensation for the restraints imposed on individuals—the public were at liberty to buy shares and participate in the profits. The discouragement of individual enterprise in the Indian trade must have served to contract the Indian market; and, in spite of the Company's claim that more capital was invested in the trade since it could draw upon the savings of the whole community, it appears probable that less capital flowed into the trade under the prevailing system since less was needed. The interlopers' argument that exclusive joint stocks were 'shackles to trade and curbs to industry and ingenuity'¹ was repeated and embroidered for two centuries²; and it seemed confirmed by the fact that the Company's patent embraced 'one-third part of the world', yet it traded only to a few ports³. The criticisms of Adam Smith were also anticipated in the contention that joint-stock companies could not trade 'so frugally and advantageously' as individuals, for they conducted business "with a pride and expense more becoming the state of kings than of merchants". "They expect to be followed by the markets", whereas private traders "would push into every creek and corner"⁴. It was admitted that an open trade might lessen the profits of individual traders competing with one another, but the nation, it was considered, would benefit

¹ *A Discourse concerning the East India Trade*, in Somers, *Tracts* (ed. 1813), x. 638, 644.

² Wood, *A Survey of Trade* (1718), 277. The most formidable critic of joint-stock companies was Adam Smith, *The Wealth of Nations*, bk. v. chapter i. part iii.

³ Kayll, *The Trades Increase* (1615), 53; *Britannia Languens* (1680), 137 (in sect. vi.). It was claimed that five times the trade might be gained: *The East India Trade a most profitable Trade to the Kingdom* (1677), 21.

⁴ Macpherson, *Annals of Commerce*, iii. 151; Geo, *The Trade and Navigation of Great Britain* (ed. 1730), 26. Cf. Tucker, *An Essay on Trade* (1753), 70: "So many directors, supercargoes, storehouse-keepers, factors, agents, clerks, and all the pickings of their several dependents".

in an increased volume of exports ¹. "There is an immense and untouched gulf for the manufacturer. . . . If the subjects of England were under proper limitations to be allowed a free trade to Bengal and Coromandel at least, all the manufacturing towns in England could not supply one-half of the demand" ². As to the argument that individual traders were easily discouraged by losses, whereas a joint stock must still struggle on ³, it was answered that no other sphere of trade had been 'starved or neglected' ⁴. "The merchants of England are an industrious people and lovers of trade. They do not upon small—no, not upon great—discouragements give it over" ⁵.

It was the peculiarity of certain branches of foreign trade that they could not be treated purely from an economic standpoint. In addition to the question how the East India trade could be 'most enlarged', it was necessary to consider how it could be 'best preserved and protected' ⁶; and the Company was on more solid ground when it drew attention to the fact that it encountered European competitors in India, at whose hands it sustained many 'injuries and indignities' ⁷. "In the Indies", wrote Davenant, "we have powerful concurrents who in process of time may be able to supplant us, against whom united wisdom, stock and counsels are of absolute necessity" ⁸. The preservation of the English interest in India was held to require a joint stock 'exclusive to all others', without which it would "fall an irretrievable victim between the Dutch and French to the irreparable loss of England" ⁹. It was also urged that, in the event of a dispute with the Indians, "the strength a

*The
problem of
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trade.*

¹ *A Discourse concerning the East India Trade*, in Somers, *Tracts* (ed. 1813), x. 642; *A Letter to a Friend concerning the East India Trade* (1696), 8; Wood, *A Survey of Trade* (1718), 271-274.

² *Hist. MSS. Comm. Stopford-Sackville*, ii. 103 (1778).

³ *House of Lords MSS.* 1695-1697, p. 30; Davenant, *Works* (ed. 1771), ii. 128.

⁴ *A Letter to a Friend concerning the East India Trade* (1696), 16-17.

⁵ *House of Lords MSS.* 1695-1697, p. 39.

⁶ Davenant, *Works* (ed. 1771), ii. 127.

⁷ *Hist. MSS. Comm. Abergavenny*, 166 (1647). Attacks were reported in 1632: *ibid.* Cowper, i. 447. For the Amboyna massacre, see *supra*, p. 276.

⁸ Davenant, *Works* (ed. 1771), ii. 39.

⁹ *A Supplement (1689) to a former Treatise concerning the East India Trade*, printed 1681, pp. 1-2.

joint stock will maintain in India will enable them better to preserve their factories and oblige the Indians to do them justice " ¹. Forts were therefore indispensable to serve as storehouses and places of refuge for traders, without which " they will be despised and trampled upon " ². The establishment charges of the Company in India were considerable : according to its statement in 1681 the annual expense of the fortified stations was £100,000, and in its balance sheet of 1685 more than one-fifth of the gross assets was represented as ' dead stock ' ³, while in the eighteenth century the charges grew enormous. In addition the Company incurred expenditure on gifts to native rulers in return for privileges and immunities. " In most places in India we are in effect our own law-makers, and can arrest and imprison any natives that deal with us or owe us money. . . . We are in all places free in our persons and goods, and all employed or privileged by us, from all inland customs and duties in the towns and provinces we pass or bring our goods through " ⁴. An open trade would endanger the retention of these concessions, and place English traders at the mercy of the natives and the Dutch, enabling the latter to " give the law unto us for such commodities as come from those parts " ⁵.

*Dispute
as to the
method.*

To these arguments some of the Company's critics returned answer that the best protection against ' the affronts and injuries of Europeans abroad ' was diplomatic pressure on their Governments at home ; while an ambassador at the Mogul's court, consuls, and presents to Indian governors, would furnish security against native ill-treatment ⁶. They also pointed out that the East India Company, in spite of its capital outlay, had lost the spice trade and the pepper trade

¹ *A Letter to a Friend concerning the East India Trade* (1696), 14.

² *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By Φιλοπάτρις (1681), 36-37. Davenant, *Works* (ed. 1771), i. 115 ; ii. 130.

³ Macpherson, *Annals of Commerce*, ii. 606 ; Scott, *Joint-Stock Companies*, ii. 147, note 3. In 1678 it was about one-eighth : *ibid.* ii. 138. Estimates of the expenditure on forts are given in *A Supplement* (1689) to a former *Treatise concerning the East India Trade*, printed 1681, p. 8.

⁴ *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By Φιλοπάτρις (1681), 35.

⁵ *Hist. MSS. Comm. Buccleuch*, i. 170 (1615) ; *The East India Trade a most profitable Trade to the Kingdom* (1677), 15.

⁶ *A Letter to a Friend concerning the East India Trade* (1696), 10, 16.

to the Dutch¹. In general, however, the need for fortified stations was not seriously contested², but it was claimed that they could be maintained by a regulated company, the charges being defrayed by an additional duty on imports. This was the procedure contemplated by the Act of 1698, when it reorganized the trade to India on a new basis³. On the question whether a regulated company was capable of a large capital outlay, issue was joined. How, it was asked, shall the adventurers be assessed for the purchase and upkeep of the forts? By a tax on goods? But in time of war and danger merchants will forbear trading: "so that there will be no goods to tax when there is most need of money". A regulated company would be faced with "a certain and constant charge, and an uncertain and inconstant revenue", and "when the charge is greatest, the receipts will be least". "Separate traders", it was remarked in a debate in the House of Commons (1730), "are a rope of sand and can raise no fund sufficient for such a purpose". The East India Company, on the other hand, "have always in their hands a real fund of above a million of money"⁴. The difficulty was perhaps not insuperable since regulated companies were able to raise loans⁵. Yet the controversy was vitiated by special pleading on both sides⁶, the disputants adjusting their principles to their argument. Davenant, for example, defended the East India Company on the plea that its forts "cannot be conveniently held and maintained by adventurers under a regulated company", but elsewhere he advocated handing over the forts and

¹ *A Discourse concerning the East India Trade*, in Somers, *Tracts* (ed. 1813), x. 643-644.

² For the importance of the forts, see *House of Lords MSS.* 1695-1697, pp. 40 *seq.*

³ *Statutes*, vii. 443. (The additional duty was to be 5 per cent.). For the Act of 1698, see *infra*, p. 310.

⁴ *The East India Trade a most profitable Trade to the Kingdom* (1677), 20; *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By Φιλοδότης (1681), 36-37; Davenant, *Works* (ed. 1771), ii. 131-132; *Hist. MSS. Comm. Egmont (Diary)*, i. 69 (1730).

⁵ *Supra*, p. 247.

⁶ To take another example—in the very document in which the East India Company defended its monopoly, it opposed the restraints laid upon it by the Privy Council on the ground that "trade must be free": Somers *Tracts* (ed. 1813), x. 624, 639; *House of Lords MSS.* 1695-1697, p. 54.

garrisons upon the coast of Africa to a regulated company¹. The natural solution of the problem would have been for the State to assume the responsibility. This was proposed in the seventeenth century², but in the circumstances of the age it was impossible—Charles II. failed to retain in his hands even Bombay which was part of the dowry. The alternative was to establish a corporation which could undertake the obligations involved; and the monopoly of the East India Company can only be justified on the assumption that a form of organization, which would have afforded greater latitude for individual enterprise, was incompatible with the efficient discharge of its primary duty.

*Other
arguments
in support
of the
Company.*

The problem of defence figured largely in the controversy because it supplied the main argument for the continuation of privileges, originally conceded on the ground that those who opened up a new branch of commerce were entitled to a monopoly for a limited number of years. Two other considerations strengthened the political bias in favour of the East India Company. It was bound by its treaties with Indian rulers to make satisfaction for all injuries committed by Englishmen³, but it could only do so provided it had control over them. The pirates who swarmed the Indian seas caused the English much trouble. As early as 1618 the Company was warned that if measures were not taken to prevent piracy, "your trade in India is utterly lost and our lives exposed to pledge"⁴; and in 1699 all the Europeans at Surat were imprisoned in consequence of the seizure of a ship belonging to the port⁵. The question was asked: "Suppose our ships should continue to make depredations upon the Indian coasts. . . . Can loose adventurers without discipline, power or command in the country, hinder or punish such a fact? And will not all goods indifferently be seized for reparation of such an injury?"⁶ Moreover it was considered necessary to follow the practice

¹ Davenant, *Works* (ed. 1771), ii. 38-39, 137; v. 130 *seq.*

² Cf. *Britannia Languens* (1680), 134-135 (in sect. vi.).

³ *Hist. MSS. Comm. Abergavenny*, 166 (1647).

⁴ *The English Factories in India, 1618-1621* (ed. Foster), 17, 139, 319.

⁵ *Hist. MSS. Comm. Fortescue*, i. 2.

⁶ Davenant, *Works* (ed. 1771), ii. 132.

of other European countries, whose trade with India was organized on a joint-stock basis¹. The conspicuous example was Holland, the pattern of the nations in economic methods : the exception was Portugal, which was cited as a proof both of the folly and the wisdom of a joint stock, accordingly as she was represented as having 'supported a vast navigation' though 'under no company'², or as 'almost beaten out of the trade'³. The existence of foreign joint-stock companies was used as an argument not to pit "raw and private persons against such compacted and united constitutions of experienced councillors"⁴; and the contention served its purpose in spite of the retort that the Dutch example "proves that a company in a joint stock may make a great progress in it, but does not disprove the like, or a greater, progress under a regulated or open trade"⁵.

The controversies which centred around the East India trade reveal the presence of four distinct groups among the enemies of the Company: the bullionists, the Levant Company, the woollen manufacturers, and the interlopers. The attack of the first group ended in defeat, the export of bullion being permitted by the Act of 1663⁶; the campaign of the second recoiled disastrously upon its promoters⁷; the third achieved a complete triumph⁸; the fourth won a partial victory but at the sacrifice of the principles for which it contended. To the relations between the Company and the interlopers we must now turn.

While the Company maintained that the East India trade "cannot possibly be supported but in a joint stock exclusive to all others"⁹, it tolerated some individual trading. Its agents were prohibited from engaging in

¹ Davenant, *Works* (ed. 1771), v. 131.

² *Britannia Languens* (1680), 140 (in sect. vi.).

³ *The East India Trade a most profitable Trade to the Kingdom* (1677), 14.

⁴ *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By Φιλοπάτρις (1681), 34.

⁵ *Britannia Languens* (1680), 136 (in sect. vi.). *The Present Interest of England stated*. By a Lover of his Country (1671), 9, justified the Dutch joint-stock company because it owned extensive possessions, whereas England had only 'the insignificant Castle of St. George'.

⁶ *Infra*, vol. iii. 73.

⁷ *Supra*, p. 286.

⁸ *Infra*, vol. iii. 41 seq.

⁹ *House of Commons Journals*, x. 363.

unlicensed dealing or 'driving a secret underhand trade'¹, but permission was given to all 'their commanders, president, agents, factors and servants' to trade in India "from and to any port or place within the limits of their charter except to and from Europe"². A lucrative traffic sprang up, particularly in diamonds and precious stones³, and a letter written in 1695 shows that even chaplains engaged in trade: "I am extremely anxious to go as chaplain on the East India fleet. The stipend is small, only £40, but there are many advantages. The last brought home £3000"⁴. Private trade was also permitted to members of the Company in proportion to the amount of stock which they held, the maximum in 1681 being a fifth of their holding⁵; yet the system was apparently worked in the interests of influential individuals because one of the proposals for the reform of the Company after the Revolution involved its abolition⁶. And further the Company allowed ships to be fitted out for India, provided they obtained a licence for which a heavy tax was exacted—a system known as 'permission trade'⁷. On one occasion, for example, a ship was licensed to trade with India on payment of 12 per cent. on the outward cargo and 10 per cent. on the return cargo⁸; while the writer of a letter in 1704 affirmed that "so great are their exactions that let a man, as in my case, bring home what sells for £100, his net produce shall hardly be £50"⁹.

Apart from the exceptions we have mentioned, the

¹ *Court Minutes of the East India Company*, 1599–1603, p. 130 (1601). Rymer, *Foedera*, xviii. 966 (1628); xix. 335 (1632). A limited amount of private trade to and from India was permitted to the Company's servants.

² *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By Φιλοπάτρις (1681), 18.

³ *State Papers Domestic*, 1673–1675, p. 494. The author of *The East India Trade a most profitable Trade to the Kingdom* (1677), 8, estimated the annual value of this private trade at £250,000 to £300,000.

⁴ *Hist. MSS. Comm. Le Fleming*, 338.

⁵ Macpherson, *Annals of Commerce*, ii. 604.

⁶ *House of Commons Journals*, x. 704 (1692).

⁷ *State Papers Domestic*, 1677–1678, p. 363; *Hist. MSS. Comm. Portland*, iii. 402 (1687); *A Discourse concerning the East India Trade*, in Somers, *Tracts* (ed. 1813), x. 638.

⁸ *House of Commons Journals*, x. 504 (1687).

⁹ *Hist. MSS. Comm. Fortescue*, i. 10. The Company's charges on cloth are enumerated in *State Papers Domestic*, 1675–1676, p. 374.

Company enjoyed a monopoly of the trade, but down to the Revolution its legal status remained ambiguous. This was shown in the case of *Skinner v. the East India Company*—in which an interloper was awarded heavy damages by the House of Lords (1668) in a suit against the Company¹—as well as in the opinion laid down by a chief-justice² (1684) that an interloper infringed no law since the Company was not established by Act of Parliament. The position of the East India Company thus depended on the attitude of the Government of the day. Under James I. it enjoyed the royal favour³, and when in 1614 a group of European capitalists, English, Dutch and French, combined to finance an expedition to the East Indies—a significant indication of the development of capitalism in the international sphere—the Privy Council intervened to nip this promising project in the bud⁴. In the next reign the wind shifted to another quarter; and in order to replenish a depleted exchequer, but on the pretext of the Company's "supine neglect of discovery and settling of trade in divers places in those parts", a rival company, formed by Sir W. Courten and other capitalists in 1635, received a patent to trade at Goa and other parts of the East Indies where the existing Company did not already trade⁵. The syndicate, in which Charles I. was credited with shares⁶, proved a disastrous failure⁷.

Attitude of the Early Stuarts towards the Company.

The Interregnum was marked by an episode which, for the next hundred and fifty years, provided the Company with its staple argument against free trade. A period of political disturbance is not favourable to the maintenance

¹ *House of Lords MSS.* 1693-1695, pp. 56 seq. This case raised a constitutional issue, which provoked a breach between the two Houses: *Hist. MSS. Comm. Finch*, i. 505-506.

² Pollexfen: Macpherson, *Annals of Commerce*, ii. 613-614; Carr, *Select Charters of Trading Companies*, p. liii.

³ In 1609 the Company was given the sole right of importing pepper: *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1087.

⁴ *Acts of the Privy Council*, 1613-1614, pp. 378-379. The ship, under the direction of an English pilot, was to sail from the French coast.

⁵ Rymer, *Foedera*, xx. 146, 149, 151.

⁶ *Court Minutes of the East India Company*, 1635-1639, p. 123; Scott, *Joint-Stock Companies*, ii. 113.

⁷ Darell, *Strange News from th' Indies* (1652); Darell, *Mr. Courten's Catastrophe* (1652).

The Company's position during the Interregnum.

of a system which runs counter to the wishes of an active minority, and the interlopers made increasing headway although the House of Commons upheld the claims of the Company¹. Eventually the trade to India lay practically open² for some years (1654-1657); and, according to the Company's version, many private ships were sent out under Cromwell's commission, "and consequently the price of native goods in India had been raised 40 or 50 per cent., while that of English manufactures had been lowered"³. The experiment in free trade was short-lived, for in 1657 Cromwell's charter restored the monopoly of the Company when the latter threatened to dispose of all its rights and property in India⁴. The Company's advocates turned to good account this 'sad experience', and they impressed its moral upon the nation. They depicted the 'great losses, damages and depredations' sustained at the hands of the natives by the suspension of privileges and the seizure of ships and goods, and affirmed that "private traders by outvying and underselling one another in those four years brought the trade to be often a losing one", so that "at length the very private traders themselves were the forwardest petitioners for a return to a joint stock"⁵. But though the alleged losses of this 'chargeable experiment' are sometimes regarded as a vindication of the Company's standpoint, the argument is not conclusive⁶. Every trade in its beginnings is likely to be attended by losses: the Company itself in its early days was not uniformly successful⁷: and the Commonwealth experiment in an open trade was too short-lived to prove anything, or if it really did demonstrate the superiority of a monopoly,

¹ *House of Commons Journals*, iii. 317 (1643); vi. 353 (1650).

² *Court Minutes of the East India Company*, 1650-1654, pp. 299, 364.

³ *Ibid.* 1655-1659, p. 117 (1656).

⁴ *Ibid.* 1655-1659, p. 139.

⁵ *A Treatise wherein is demonstrated that the East India Trade is the most national of all Foreign Trades*. By Φιλοπάτρις (1681), 35-36; *State Papers Domestic*, 1677-1678, p. 364; *An Answer to Two Letters concerning the East India Company* (1676), 91; *The East India Trade a most profitable Trade to the Kingdom* (1677), 15-17; Davenant, *Works* (ed. 1771), v. 135.

⁶ The Company's opponents claimed that the experiment succeeded, and that the Dutch Company was undersold and 'sunk greatly in their stock and credit': *House of Lords MSS.* 1695-1697, p. 35.

⁷ *Supra*, pp. 274-275.

then it proved also that "we have been very imprudent not to set up more monopolies for trade"¹. It is probable that the rate of profit did actually fall as a result of the free play of competition. The nation, however, would still reap the benefit provided the trade were enlarged, but the fall would explain the action of the merchants in making suit to Cromwell to restore the system of monopoly².

The Company's charter was confirmed by Charles II. and James II.³, but after the Revolution a new situation soon unfolded itself. Under Sir Josiah Child, its governor, the Company had become identified with the court interest and this alienated the Whigs who took the side of the interlopers. The ranks of the latter were now reinforced by the accession of previous members of the Company driven into exile by their opposition to Child⁴. In 1691 they presented a petition to Parliament in which they urged the erection of a new East India Company⁵. The Commons decided that the King should be asked to dissolve the existing body, and to constitute another in its place⁶. The King replied that he could not legally do so without giving three years' notice, which would make the Company "less solicitous of promoting the true interests and advantage of a trade whereof they would not long reap the fruits"⁷. Instead the Company was asked by the Government whether it would submit to regulations drawn up by the Privy Council⁸. The Company agreed, but "notwithstanding their declaration of submission rejected almost all the material particulars"⁹. The chief proposition of the Privy Council was that no one should hold more than £10,000

The Company's position after the Revolution.

¹ Pollexfen, *England and East India inconsistent in their Manufactures* (1697), 16.

² *A Letter to a Friend concerning the East India Trade* (1696), 9-10.

³ Macpherson, *Annals of Commerce*, ii. 611, 624. The Company made loans or gifts to the King: Khan, *The East India Trade in the Seventeenth Century*, 150.

⁴ It was reported in 1683 that "the East India Company has voted there shall be no Whigs in their Society": *Hist. MSS. Comm. Portland*, ii. 236.

⁵ *House of Commons Journals*, x. 541.

⁶ February 1692: *ibid.* x. 655. Also pp. 591-593, 617, 632.

⁷ *Ibid.* x. 699.

⁸ The proposals are given *ibid.* x. 702-705, with the Company's answers.

⁹ *Ibid.* x. 699.

*Proposi-
tions of the
Privy
Council.*

stock¹. The Company objected that "trade is a free agent and must not be limited". Neither the Dutch nor the French imposed limitations, and "such a kind of levelling or limiting personal estates was never known in commonwealths, much less in monarchies". It was also represented that "no considerable man of fortune or experience will ever endure the fatigue of continual study in the East India Company's arduous affairs, but he will find his account some way; and that must be either by a great reward or by a great stock, or by other and worse ways of paying himself". The most the Company paid a director was about fifty pounds per annum, but the possession of a large stock was better for the public safety than any reward. A director who received a reward was tied only by one cord, while "he that expects all satisfaction to arise from the profit of his own stock is tied with the two great cords which do almost the whole business of the world—viz. reward by the profit of his own great stock, and fear of great loss if his stock should miscarry by ill conduct". The proposal to limit the amount of the stock which an individual shareholder might hold was dictated by envy of 'some few of the Company', who were 'too rich and too powerful in the committee'; yet no "great business in the world did ever thrive where some . . . very few did not arrive to so much reputation, as Machiavelli calls it, as to be able to moderate [its] counsels". In any case, "if it be a fault there needs no law nor new article in any charter, for a very few years will cure that, . . . for that the sons of such men were never known to succeed their fathers in the painful fatigue of the Company's affairs, but did always settle themselves upon an easier course of life by a revenue in land". Another suggestion was that the joint stock should continue only for twenty-one years, after which a new joint stock should be established. This elicited the comment that no one ought to be forced to sell his stock, any more than one "that hath an over-great estate of land in any county can be forced to sell part to make way

¹ The House of Commons had resolved that no one should hold more than £5000 stock in the Company: *ibid.* x. 591-593.

for some new purchasers". To other proposals, which included the abolition of 'permission trade' and the compulsory export of native commodities¹, the answer was returned: "It was never thought or found political to put trade in such strait-laced bodice which, instead of making it grow upright and prosper, will either kill it or force it to grow awry".

At this juncture (1693) a dramatic turn was given to events. The Company was a day late in the payment of a tax imposed on joint-stock companies², and in virtue of a clause in the Act it forfeited its charter. The interlopers, supported by the Levant merchants and clothiers whose trade in the Mediterranean was interrupted by the war with France, at once sought permission to send out an expedition to India, undertaking to export £100,000 in native commodities³. Eventually the Company's charter was restored in the same year⁴; but it was now forced to accept the conditions laid down by the Privy Council, including the obligation to enlarge its capital, pay dividends in money, and export £100,000 worth of native commodities⁵. The interlopers, however, continued to press their demand for a new company to make the trade 'more national and diffusive'; and the House of Commons alternately resolved that all subjects have an equal right to trade to the East Indies, and that the best way of carrying on the trade was by a joint stock 'exclusive to all others'⁶. Matters came to a head in 1698. The foundation of the Bank of England had set a precedent for proposals to accord special privileges to those who lent their money to the State for the prosecu-

*Creation of
a New
East India
Company.*

¹ *Supra*, pp. 286, 304.

² The secretary left the payment to the last day, March 25th. This was a holiday and the Exchequer was shut: *House of Commons Journals*, xiii. 132.

³ The Government's difficulties are described in a letter of Sir John Somers to the King: *State Papers Domestic*, 1693, pp. 323-324.

⁴ A rumour spread that the Dutch hoped to profit by the ruin of the Company and destroy the English trade in India before another company was set up. This may have induced the King to avoid the appearance of taking an undue advantage: *ibid.* 1694-1695, p. 273. See also *ibid.* 1693, p. 108.

⁵ Bruce, *Annals of the East India Company*, iii. 134-135; *House of Lords MSS.* 1695-1697, p. 31.

⁶ *House of Commons Journals*, xi. 22, 65, 439, 542.

tion of the war. Accordingly in 1698 an Act of Parliament¹ conferred the sole right of trade with India on those who subscribed to a loan of two millions at 8 per cent. interest². A subscriber could trade as an individual or as the member of a corporation, but the amount of his trade in any one year was not to exceed the amount of his contribution³. Subscriptions poured in⁴; and the Old Company, which had received notice that its monopoly was to terminate in 1701, after raising 'a great clamour' that 'a notorious injustice' had been done, decided to subscribe £315,000 to the loan. The rest of the subscribers, with few exceptions, proceeded to organize themselves in a New Company, but to their chagrin the Old Company also secured the right to be continued a corporation after 1701 for the management of its subscription⁵.

*Rivalry of
the Old and
New Com-
panies.*

There were now in existence two rival companies whose acrimonious relations infected the whole realm. At the general election of 1701 each strove to secure the return of members favourable to its interests; and "the grand question asked now, when your vote is required for a Parliament man, is . . . what Company is he for—the New or the Old?"⁶ In India the divisions among the English recalled the feuds of Guelphs and Ghibellines⁷. It soon became apparent that a union of the two bodies was inevitable, since the conflict of interests injured trade and depressed the value of the shares⁸. The New Company, which was entitled to 83 per cent. of the trade⁹, had sunk its resources in the loan, while the Old Company occupied a

¹ *Statutes*, vii. 429 seq.

² The Company had offered to lend £700,000, but the amount was insufficient: *House of Commons Journals*, xii. 253.

³ I.e. a subscriber could send annually to India £100 worth of goods for every £100 stock of loan.

⁴ "Beyond all expectation": *State Papers Domestic*, 1698, p. 362; *Hist. MSS. Comm. Bath*, iii. 237-238.

⁵ In 1700: *House of Commons Journals*, xiii. 132, 155. "Great endeavours were used to baffle it": *Hist. MSS. Comm. Portland*, iii. 615.

⁶ Defoe, *The Freeholders' Plea against Stock-jobbing Elections of Parliament Men* (1701), 7-8.

⁷ *A Supplement* (1689) to a former Treatise concerning the East India Trade, printed 1681, p. 2.

⁸ *Hist. MSS. Comm. Fortescue*, i. 29; Defoe, *The Villainy of Stock-Jobbers Detected* (1701), 11.

⁹ The Old Company had subscribed £315,000; the New Company, £1,662,000; and the independent traders, £23,000.

strategic position in India by reason of its factories and forts and the privileges conferred upon it by native rulers¹. The terms of the agreement (1702) recognized the strength of the Old Company by placing it on a level with the New Company: this was done by the latter selling to the former a sufficient quantity of the loan to equalize their respective holdings². It was arranged that for seven years the trade of the two companies should be managed by a joint committee, after which the original company was dissolved (1709) and a complete amalgamation was effected in the United East India Company.

The paradox of the 'free trade' movement engineered against the Old Company was that it ended in the substitution of another company which was in a stronger legal position than its predecessor, since it rested for the first time on an Act of Parliament. The interlopers had carried on a campaign for laying open the trade to India, but as soon as they procured an Act in their favour they embraced the opportunity to form themselves into a rival joint stock; and contemporaries did not fail to note the inconsistency of their conduct³. The stock of the independent traders who had not united with the rest of the subscribers amounted only to £23,000, and they were soon bought out⁴. The monopoly granted by the Act of 1698 was terminable upon three years' notice after 1711, provided the loan was repaid. The date was extended by subsequent Acts of Parliament⁵.

*Effects
of their
amalgama-
tion.*

¹ Scott, *Joint-Stock Companies*, i. 363, 366.

² The terms are given in Justice, *A General Discourse of Commerce* (1707), 7; and in Scott, *op. cit.* i. 368; ii. 169.

³ Davenant, *Works* (ed. 1771), v. 134.

⁴ *House of Commons Journals*, xvii. 252; *Statutes at Large*, iv. 284.

⁵ In 1708 the Company lent a further sum of £1,200,000 free of interest, and the date was extended to 1726: *Statutes at Large*, iv. 283, 285. The Company thus received 5 per cent. on the whole debt (which now amounted to £3,200,000)—the equivalent of 8 per cent. on the original loan (made in 1698) of £2,000,000. Then, in 1712, the Company's right to trade in a corporate capacity was safeguarded, even if the loan were repaid, and its exclusive privileges terminated: *ibid.* iv. 576; *House of Commons Journals*, xvii. 241-242. In 1730 the Company agreed to accept 4 per cent. on the whole debt, while it also made a contribution to the Exchequer of £200,000, which was not to be repaid nor to bear interest. In return its exclusive privileges were prolonged to 1766: Mill, *The History of British India* (ed. 1858), iii. 34. In 1744 the Company advanced another million pounds at 3 per cent., and the date was extended to 1780: *Statutes at Large*, vi. 237-238.

which enabled the United East India Company to retain its monopoly throughout the eighteenth century. Voices were occasionally raised in protest, but they were voices crying in the wilderness¹. The amalgamation of the two companies fulfilled the prediction of a contemporary that they had "gained such an addition of strength and interest by being united" that no one could stand against them². The old controversies, while not extinct, failed to awaken the passions which had been aroused in the early days of the East India trade. The centre of interest henceforth shifted from the economic to the political sphere: the duel with the Dutch over the spice and pepper trade yielded place to the duel with France for the empire of India. In the light of this development the claims of the interlopers receded into the background, and in their stead a more formidable competitor challenged the authority of the Company, though its motives were political not economic. The growth of territorial dominion in India raised issues which transcended the responsibilities of a mercantile body, and the State began to usurp its powers until the Company was finally displaced altogether.

*Survival
of opposi-
tion.*

Nevertheless the Company's dependence upon Parliament for the successive renewals of its charter kept alive the question of free trade, and enabled it to be ventilated from time to time. On several occasions—in 1719, 1730 and 1768—appeals were made to the House of Commons to throw open the trade to India³. In 1730 it was proposed that a regulated company should advance the Government £3,200,000 at 2 per cent. interest to redeem the existing loan; that the trade should be open to all persons on payment of 1 per cent. of the value of their exports to India; and that a duty not exceeding 5 per cent. should be levied on their imports to defray the cost of forts and settlements in India⁴. Foremost among the petitioners in 1768 was Liverpool, which had increased so much in its trade

¹ *Infra*, note 3.

² *Hist. MSS. Comm. Fortescue*, i. 17 (1706).

³ *House of Commons Journals*, xix. 79; xxi. 537; xxxii. 102, 108.

⁴ For these proposals and the debate which ensued in the House of Commons, see *Hist. MSS. Comm. Egmont (Diary)* i. 65-71.

that it was now said 'to vie with Bristol in riches'¹: it demanded that the trade between Asia and Europe—that 'immense fund of commercial industry, power and profit'—should be put on a broad national basis². In 1791 the private traders seemed to be on the threshold of the promised land, for notice was then given to the Company that at the end of three years it would be repaid the loan which was the condition of its monopoly³. But the outbreak of the war with France checked the free trade movement in this as in other directions, and in 1793 the period of the Company's 'exclusive trade' was again extended although permission was now given to private merchants to export native commodities to India in the Company's ships⁴. The reason for this concession was that British capital, denied a legitimate outlet in direct participation in the Indian trade, was being clandestinely invested in foreign enterprises which traded with India⁵. Seventy years before (1722) Parliament had enacted that a British subject who subscribed to the stock of the Ostend East India Company, then newly incorporated, should forfeit the investment and three times its amount⁶; and penalties were also imposed on British subjects who traded with India on foreign commissions⁷, or smuggled Eastern goods into England from foreign ports. Thus the intention in 1793 was to discourage the use of foreign ships, not to encourage the growth of private enterprise nor to stimulate the flow of capital to India, which would have involved an independent fleet of vessels. None the less the first legal breach had been made in the Company's monopoly, and it had its inevitable sequel when the trade to India

¹ *Hist. MSS. Comm. Verulam*, 271.

² *House of Commons Journals*, xxxii. 102.

³ *Ibid.* xlv. 353.

⁴ *Statutes at Large*, xii. 354. 367-368. Military and naval stores and copper were excepted.

⁵ See Dundas's letter to the Company in Macpherson, *Annals of Commerce*, iv. 515-516.

⁶ *Statutes at Large*, v. 327. The Ostend East India Company caused grave apprehensions in England. "It is plain we must lose our trade or engage in a war": *Hist. MSS. Comm. Portland*, vii. 407 (1725). See also *The Importance of the Ostend Company Consider'd* (1726); and Hertz, "England and the Ostend Company" in *The English Historical Review*, xxii. 255 seq.

⁷ *Statutes at Large*, v. 336 (1720).

was thrown open in 1814 (except for tea), and the trade to China and the trade in tea in 1834^{1a}.

*Growth of
the Com-
pany's
trade.*

The history of the East India Company under the Hanoverians is primarily the history of a mercantile body which grew into a sovereign power. In the seventeenth century it had received privileges at the hands of native princes: in the following century it conferred them. This dramatic transformation from the position of a suppliant to that of a master was accompanied by an expansion of trade, which was used as an argument to prove that the Indian market was reaching the point of satiety, and would not benefit by the removal of restrictions. In the opening years of the eighteenth century¹ the annual value of the Company's exports averaged £313,000 in bullion and £94,000 in goods². In the middle of the century the corresponding averages were £815,000 and £340,000³. Towards the end of the century they were £620,000 and £770,000, plus over £100,000 exports in private trade⁴. This increase was largely due to the growth of the trade with China because tea had become the staple article of import⁵. The position at the end of the century is shown by the Company's accounts, which include the payment of £750,000 for bullion exported and £1,770,000 for goods⁶. As to imports: they were valued at half a million pounds about 1620⁷, at a million

^{1a} *Statutes of the United Kingdom*, v. 360; xiii. 432.

¹ For the Company's exports of bullion and goods in the seventeenth century, see *supra*, pp. 277 *seq.*

² 1702-1714: *House of Commons Journals*, xviii. 676-677 (round figures). In 1702 it appeared "by the entries in the custom-house books that we had for several years exported to the East Indies above £400,000 per annum in bullion, besides what was carried out privately or shipped from Spain": *House of Lords MSS.* 1699-1702, p. 455.

³ Macpherson, *Annals of Commerce*, iii. 361 (round figures). It must be noticed that the annual variation from the average was considerable.

⁴ *Ibid.* iv. 251. The average of the years 1785-1791 in round figures.

⁵ The East India Company began to procure tea from China after the Restoration: Morse, *The Chronicles of the East India Company Trading to China*, i. 9. The imports of tea amounted to 156,000 lb. in 1712; 2,300,000 in 1750; 24,000,000 in 1800: Levi, *History of British Commerce* (ed. 1872), 246.

⁶ The year ending March 1, 1800: Macpherson, *Annals of Commerce*, iv. 509-510 (round figures). There was also considerable private trade.

⁷ For details, see Mun, *A Discourse of Trade from England unto the East Indies* (1621), 23-27. Another estimate (1623) was £580,000; *Hist. MSS. Comm. Cowper*, i. 155. In 1626 four ships arrived with cargoes reputed to be worth £400,000: *ibid.* *Shrine*, 91.

pounds fifty years later¹, at three million pounds about a hundred years later², and at ten million pounds at the end of the eighteenth century³. The growth of trade, combined with the possession of vast territories, did not, as we should expect, enlarge unduly the dividends paid to shareholders. Apart from establishment charges and pensions in India, which absorbed immense sums, the State exacted a large annual tribute in respect of the Company's territorial revenue⁴, and in addition fixed the maximum amount of its dividend⁵—in 1769 the legal maximum was 12½ per cent.⁶, but the usual dividend was much less. In view of the price of stock the return on an investment in the Company was sometimes below 5 per cent.⁷, though the opportunity of participating in the Company's extensive patronage may have compensated for the low yield. This control of the Company's dividends anticipated the policy adopted in the nineteenth century in connexion with public utilities companies. The interference of Parliament was further seen in the regulation of the price of tea⁸, so that in the latter part of the eighteenth century the State was invading not only the political but also the economic sphere of the Company's activities.

(III)

THE EASTLAND COMPANY

As early as the fourteenth century there existed a distinct group of merchants trading to the Baltic, and in 1408 they received a charter at the hands of Henry IV.⁹ Their sub-

¹ 1670–1688: *House of Commons Journals*, xii. 433. The estimate in *The East India Trade a most profitable Trade to the Kingdom* (1677), 7–8, was 'at least £860,000 and often much more', apart from private trade (£250,000).

² 1730: Macpherson, *Annals of Commerce*, iii. 150, 152.

³ *I.e.* goods sold at the Company's sales, and including private trade: *ibid.* iv. 509.

⁴ *Statutes at Large*, viii. 50, 77.

⁵ *Ibid.* viii. 45.

⁶ Macpherson, *Annals of Commerce*, iii. 487.

⁷ In 1762 the price of a £100 share, on which the Company then paid 6 per cent. was £134: Mortimer, *Every Man his own Broker* (ed. 1762), 10.

⁸ *Statutes at Large*, ix. 422 (1784).

⁹ *Supra*, vol. i. 572. In 1659 the Eastland Company stated that "three hundred years ago our predecessors discovered the trade to the Baltic": *State Papers Domestic*, 1659–1660, p. 283.

*Reasons
for the
erection of
the East-
land Com-
pany.*

sequent history is obscure, but they apparently lost their identity in the general body of Merchant Adventurers although the trade to the Baltic continued ; and they do not emerge again as a separate organization until they were incorporated in 1579 as the Eastland Company. The date is significant. In the previous year the Hansards had been placed on the same fiscal footing as other foreign merchants¹, and we may therefore conjecture that the Eastland Company was established at this moment for the purpose of wresting from the Hansards a trade in which the latter could no longer compete on the same terms as Englishmen. Moreover the Baltic trade was of great national importance inasmuch as it provided the kingdom with naval stores ; and in view of the strained relations with the Hanseatic League, the Government would be the more readily induced to grant concessions to a native company in order to ' vindicate the trade from usurpation by strangers ' ². The promoters of the new corporation were mainly London capitalists ; and one of their objects was evidently to prevent the trade with northern Europe passing to the northern seaports since the charter concentrated all authority in the hands of the London body ³. The fact that the Merchant Adventurers were involved in grave difficulties at this period doubtless accelerated the disruptive forces which were clearly at work in the parent company. The latter resented the formation of new companies and endeavoured to exclude the freemen of other corporations from its own membership, but the proposal was stoutly resisted by the northern traders who were accustomed to carry on their ' ancient trades ' with the Netherlands, the East Country, France and Spain, and so wished to possess the freedom of all the companies ⁴. The relation between the Merchant Adventurers and the Eastland merchants was particularly close in the North Country. They were largely

¹ *Supra*, p. 204.

² The Company's phrase : *State Papers Domestic*, 1659-1660, p. 283.

³ *Infra*, pp. 322-323.

⁴ *York Merchant Adventurers*, 216-237 ; *Newcastle Merchant Adventurers*, ii. 14, 53. Also *supra*, p. 256. The charter of the Eastland Company expressly admitted Merchant Adventurers and merchants trading to Spain and Portugal : *Acts of the Privy Council*, 1580-1581, p. 148. (The marginal note, ' The dispute as to the Mediterranean trade ', is erroneous.)

members of both societies : they held joint meetings : they acted in concert when their common interests were threatened : and in some towns custom prescribed that the governor of the Merchant Adventurers should hold office as deputy governor of the Eastland merchants ¹.

The Eastland Company was a regulated company ^{1a}. Admission was restricted to merchants on payment of a fine of twenty pounds ²; and "the opinion of the learned (as to) who is to be esteemed a merchant" is "such a one as hath . . . not less than three years traded at home and abroad beyond the seas merchant-like" ³. The definition was narrowed to exclude retailers and manufacturers, so that no member was allowed to sell goods under fixed quantities or to engage in any handicraft ⁴. The constitution of the Company was oligarchical, all power being vested in a governor, his deputy and a court of assistants, who had the sole right of making by-laws and appointing officers ; and, in contrast with the Merchant Adventurers, it was expressly affirmed that "if all the generalty of the Company were present they could have no voices in any question" ⁵. The Company's 'Acts and Ordinances' are similar in tenor to those of the Merchant Adventurers ⁶. They fix the term of apprenticeship ⁷ : they take account of servants who keep "evil rule to the dishonour of God, disworship of our Company, and wasting of their masters' goods" ⁸ : they provide for arbitration between members 'for the increase of unity among the Company' ⁹ : they forbid enticing away of

Constitution of the Company.

¹ *Newcastle Merchant Adventurers*, i. 229 ; ii. p. xix ; *York Merchant Adventurers*, 305. At York in 1661 the Eastland merchants numbered 80, of whom 54 were Merchant Adventurers, and of the rest 16 had been apprenticed to Merchant Adventurers : *Acts and Ordinances of the Eastland Company* (ed. Sellers), p. xxxvi. (Also pp. xxxiii-xxxv.)

^{1a} See *infra*, Appendix, p. 499, No. 2.

² The sons and apprentices of members were excused the fine, and members of other companies paid 40 marks : *Acts and Ordinances of the Eastland Company*, 87, 147-148.

³ *Ibid.* 3.

⁴ *Ibid.* 19-20, 146-147.

⁵ *Ibid.* 136, 144-145.

⁶ But they do not—(1) forbid members to marry foreign wives or own property abroad ; (2) regulate privileges of membership according to seniority ; (3) require members by redemption to pay higher impositions : *ibid.* pp. xxxi-xxxii. Other differences between the two companies relate to their constitutions, and to the size and nature of their trade.

⁷ The term was 8 years, but was reduced in 1688 to 7 years : *ibid.* 16, 68-69.

⁸ *Ibid.* 35.

⁹ *Ibid.* 53.

customers¹: they prohibit 'colouring' of goods²: they levy impositions to defray the charges of the fellowship³: they require officials to be stationed at the custom-house to inspect goods and collect the Company's dues⁴: they appoint ships and set days for shipping, after which no cloth might be exported⁵: they restrain the importation of flax during the winter to prevent damage by 'unseasonable shipping'⁶: they enjoin the masters of ships to carry only freemen's goods, to make true payment of the tolls levied by Denmark, Poland and Prussia, and to refrain from private trade whereby they "do cloy the markets and in their sales abase the commodities"⁷: and, finally, they regulate credit transactions, requiring purchasers to pay one-third in ready money and the rest by bills at six months' date⁸.

*Sphere and
nature of
its trade.*

The sphere of the Eastland merchants was the Baltic lands, including Norway, Sweden, Poland, Eastern Pomerania, and the Danish towns of Copenhagen and Elsinore. The rest of Denmark, together with other regions—Mecklenburg, Jutland, Silesia, Moravia and the River Oder—they shared with the Merchant Adventurers⁹. The foreign residency was at Elbing¹⁰; subsequently it was transferred to Danzig¹¹. The court at Elbing had no governor, only a deputy governor and assistants, and it was subject to the London court¹²—in marked contrast with the Merchant Adventurers

¹ *Acts and Ordinances of the Eastland Company*, 28.

² *Ibid.* 43. (For 'colouring', see *supra*, p. 224.)

³ *Ibid.* 20-21, 146.

⁴ *Newcastle Merchant Adventurers*, ii. 148.

⁵ *Ibid.* ii. 141; *Acts and Ordinances of the Eastland Company*, 82.

⁶ *Newcastle Merchant Adventurers*, ii. 142.

⁷ *Acts and Ordinances of the Eastland Company*, 15-16, 43, 61.

⁸ *Ibid.* 47-48, 68. Suffolk cloth was to be sold by Eastland traders for ready money 'payable within a month': *Newcastle Merchant Adventurers*, ii. 141.

⁹ *Acts and Ordinances of the Eastland Company*, 144, 149-150 (Narva was excluded: see *infra*, p. 334).

¹⁰ The merchants were originally at Danzig, until the latter imposed new duties upon them and abrogated certain of their privileges: *State Papers Foreign*, 1586-1588, pp. 172-173. Danzig intrigued persistently to close the English staple at Elbing: Szelagowski and Gras, "The Eastland Company in Prussia, 1579-1585" in *Transactions of the Royal Historical Society*, 3rd ser. vi. 172, 178.

¹¹ The removal was sanctioned in 1622, but took place later: *Acts and Ordinances of the Eastland Company*, pp. xxxix-xl.

¹² *Ibid.* 25 (and cf. p. xxvi).

whose head court was situated abroad. Among the functions assigned to the Elbing officials it was their task to detect 'short entries' in goods landed at the port, and to inflict penalties on offenders against the ordinances 'by fine or seizure of their goods'¹. As the staple town, Elbing was the seat of the Company's trade, though members were allowed to traffic direct with Sweden, Norway and Denmark, on condition of "making their returns directly from thence through the Sound westward"². The chief commodity shipped from England was cloth; and, again in contrast with the Merchant Adventurers, Eastland merchants were restricted to cloth already dyed and dressed, except for two hundred white cloths³. The imports included corn, flax, linen, and materials for shipping—hemp, cordage, pitch, tar and timber—as well as gold and silver⁴. The Company's activities thus accorded with the current economic doctrines, which favoured the export of goods fully manufactured and the import of raw materials and precious metals. The one exception was hemp and flax, which in the early part of the seventeenth century were imported ready dressed—an 'hurtful error in trade', denounced by the flax-dressers in the same way as the cloth-dressers attacked the export of unfinished cloth⁵. The volume of the Company's trade was much below that of the Merchant Adventurers: it was represented in 1619 as only one-eighth⁶. Roger Coke asserts that prior to 1640 the Eastland merchants vended yearly 20,000 broad cloths apart from kersies and other woollen goods⁷, but his figures appear excessive. A parliamentary committee of trade reported in 1624 that they shipped abroad annually 8000 cloths dyed and dressed⁸; and in 1659 the

¹ *Acts and Ordinances of the Eastland Company*, 36-37, 46-47.

² *Ibid.* 22-23.

³ *Ibid.* 149. Other exports included skins, lead, tin, coal, etc.: *ibid.* pp. lii-liii.

⁴ Corn: Rymer, *Foedera*, xvii. 414. Gold and silver: *State Papers Domestic*, 1659-1660, p. 283. 'Especially Hungarian ducats': Coke, *Treatise* (1675), iii. 32. Other commodities: *Acts and Ordinances of the Eastland Company*, 152; *Acts of the Privy Council*, 1615-1616, p. 142.

⁵ Rymer, *Foedera*, xvii. 414 (1622). See *infra*, vol. iii. 375.

⁶ *State Papers Domestic*, 1619-1623, p. 5.

⁷ Coke, *Treatise* (1675), iii. 33.

⁸ *House of Commons Journals*, i. 793. Cf. *Hist. MSS. Comm. Comper*, i. 162.

Company stated that it exported yearly 14,000 cloths besides other kinds of woollen goods¹.

*The
Company's
difficulties
abroad.*

The career of the Eastland Company ran a troubled course. "They are like a grain of corn," wrote Sir Thomas Roe in 1631, "between the two mill-stones of the Swedes and Danzickers' emulation"². The Sound was controlled by Denmark who exploited her advantage by levying tolls on the ships passing through it. The customs, it was said in 1582, formerly 'a rose-noble', had risen to £20, £30 and even £100 and £200 a ship. Two decades later the English Government made representations to Denmark that merchants were 'very much abused' by "daily increase of exactions as also by the uncertainties of the duties required", and the complaints were repeated on other occasions³. The Eastland merchants were further hampered in their trade by the fact that "the shipping of this kingdom are not so properly and conveniently built for such kind of loading as the Flemish or Holland shipping are, nor sail so cheap for the freight of such gross commodities as they do"⁴. Moreover the Dutch combined with cheap freights the advantage of buying cheaply for cash, so that they undersold their English competitors by 20 per cent.⁵. Again, the Dutch carried better assorted cargoes—oil, wine, fruit, sugar and other commodities with which the Eastland merchants were not so conversant as other English merchants who traded with Italy, Spain, Portugal and France, but were excluded from the Baltic by the Company's charter⁶. The effects of Dutch rivalry showed themselves in the decline of the Eastland trade, the sale of cloth decreasing from £200,000 to £70,000 or £80,000 per annum, while two hundred Dutch vessels were employed in the trade from Norway and the Sound to England⁷.

¹ *State Papers Domestic*, 1659-1660, p. 283.

² *Ibid.* Addenda, 1625-1649, p. 416.

³ *State Papers Foreign*, 1581-1582, p. 648; Rymer, *Foedera*, xvi. 431 (1602); Sir Thomas Roe's *Speech* (1641) in *Harleian Miscellany* (ed. Malham), iv. 461; *Hist. MSS. Comm.* v. 108 (1643); Coke, *Treatise* (1671), i. 44.

⁴ *Acts of the Privy Council*, 1615-1616, p. 142. Cf. *infra*, vol. iii. 130.

⁵ *State Papers Domestic*, 1619-1623, pp. 157, 211.

⁶ Child, *A New Discourse of Trade* (4th ed.), 112-113. But see also *infra*, vol. iii. 135.

⁷ 1620: *State Papers Domestic*, 1619-1623, pp. 157, 211.

The Company sought to overcome its difficulties by using foreign-built ships. When the practice was prohibited in 1615¹, it then demanded protection against foreign competition; and its importunity was rewarded with a proclamation (1622) forbidding Eastland commodities, except corn, to be imported in any but English ships². The proclamation was renewed by Charles I.³, but it appears to have lapsed since under the Commonwealth the Eastland merchants residing at Danzig petitioned the Council of State (1651) to allow no Eastland commodities to be imported or exported except in English vessels⁴. Effect was given to the petition in the Act of Navigation, passed in the same year, which received the Company's animated support⁵. Protection failed, however, to revive the Eastland trade; on the contrary, the compulsion to employ English ships handicapped native traders and entrenched the Dutch still more firmly in the Baltic trade. The Dutch, moreover, profited by the Civil War to push their own manufactures in the markets of Poland which English merchants, owing to their divided energies, did not keep fully supplied. The result, if Coke's figures (1675) are accepted, was that the number of broad cloths sold in the East Country was reduced to under four thousand⁶. After the Revolution Child was able to reinforce his argument against regulated companies with the observation that "the Dutch, though they have no Eastland Companies, yet have ten times the trade to the Eastern parts as we"⁷.

The Eastland Company was harassed by other difficulties. It was not confined to London and a number of outports were associated with it, situated chiefly on the east coast—

¹ *Acts of the Privy Council*, 1615-1616, p. 142. In 1697 the Commissioners for Trade and Plantations proposed that foreign-built ships should, for the purpose of the Baltic trade, be 'naturalized' and have the privileges of English-built: *House of Commons Journals*, xii. 434.

² *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1333.

³ Rymer, *Foedera*, xix. 130.

⁴ *State Papers Domestic*, 1651, pp. 273-274.

⁵ *Acts and Ordinances of the Eastland Company*, 76. See *infra*, vol. iii. 129.

⁶ Coke, *Treatise* (1675), iii. 33. He represents the number of kersies as reduced from 60,000 to under 5000.

⁷ Child, *A New Discourse of Trade* (4th ed.), 113.

*The Company's
difficulties
at home.*

in particular, York, Hull, Newcastle and Ipswich¹. The relations between the head court and its branches were marred by incessant disputes behind which, as in the case of the Merchant Adventurers, lay the determination of the provincial members to assert their independence of the metropolis. The local bodies had a deputy governor appointed by the London authorities², but no court of assistants, which deprived them of the power of making their own by-laws and reduced them to complete dependence upon the governing body in London. The issue thus raised was the parallel of that fought out by the Newcastle Merchant Adventurers over the status of their governor³. York pressed strongly for a court of assistants, but London returned an uncompromising refusal: "We do not think fit to set up a separate jurisdiction in the Company to rend and tear that uniformity of government which we shall always study to maintain", and "we see no reason to allow . . . any opposition to our orders and directions inasmuch as our reason, not yours, is to govern the fellowship"⁴. Other grievances inflamed and widened the controversy, and in 1616 the coast towns laid their complaints before the Privy Council. The latter's verdict was in their favour. It enumerated "divers by-laws . . . which the coastmen complain, and that justly, to be grievous unto them, as for stinting their number of shippings, prescribing the times and seasons for their buying of flax", the unequal charges on cloth, the misuse of the financial levies, and the obligation on apprentices and others to take up their freedom in London⁵. Some of the by-laws were annulled, others were modified, and the Company was ordered to submit future ordinances to the judges in accordance with

¹ Bristol and Plymouth are also mentioned: *State Papers Domestic*, 1655-1656, p. 98. The relative importance of London and the northern towns in the Baltic trade in the sixteenth century may be gauged from the returns of shipping: *York Merchant Adventurers*, p. 1. But under James I. London's share in the cloth trade to the Baltic was less than one-half: Friis, *Alderman Cockayne's Project*, 172.

² The local body submitted two names, and London chose one: *Acts and Ordinances of the Eastland Company*, 23.

³ *Supra*, p. 257.

⁴ *Acts and Ordinances of the Eastland Company*, 101-102 (1677). Also pp. 85, 90, 98, 109.

⁵ *Acts of the Privy Council*, 1615-1616, pp. 572-577.

the Act of 1504¹. London was thus driven to concede freedom to the outports in the important matter of shipping², and it was also constrained to admit a representative from each coast town to the court when ordinances were being enacted, though only for the purpose of giving information and not for voting³. But it retained the powers of legislation in its own hands, and as late as 1677 York was admonished, for its 'murmur and discontent', that "the acts and orders we make are not required of necessity to be acceptable and grateful to every restless and unquiet member"⁴.

The Eastland Company excited less controversy than did the Merchant Adventurers. For one thing its trade was on a much smaller scale⁵; for another thing it was, as a committee of the House of Commons admitted in 1624, 'very tractable'⁶. Nor was it conceived a monopoly in the same degree⁷, its admission fine of twenty pounds comparing very favourably with that of the other company⁸. None the less it encountered the opposition of the interlopers, who desired 'to trade freely' without being 'subject to government', and therefore rejected the compromise proposed in Parliament to reduce the admission fine to five marks⁹. Ipswich seems to have been one of the strongholds of the interlopers. "The Ipswich men", said a writer in 1614, "be the chiefest merchant adventurers of all England for all the Eastlands for the Suffolk cloths, and they have their factors lying all the year long in all those places"¹⁰. The Suffolk clothiers sought to intercept the profits of the middlemen and trade direct with their customers abroad; and a letter of the Ipswich merchants in 1622 complained that the clothiers were asking high prices and showing a reluct-

¹ For the Act of 1504, see *supra*, vol. i. 420.

² *Acts of the Privy Council*, 1615-1616, p. 574; *Newcastle Merchant Adventurers*, ii. 141, 148 ("At what time and in what place of our privileges you please"), 156.

³ *Acts of the Privy Council*, 1615-1616, p. 574.

⁴ *Acts and Ordinances of the Eastland Company*, 99.

⁵ *Supra*, p. 319.

⁶ *House of Commons Journals*, i. 793.

⁷ *Ibid.* i. 710.

⁸ 1624: *House of Commons Journals*, i. 710, 793.

⁹ *Supra*, pp. 216-217, 317.

¹⁰ Tobias Gentleman, *England's Way to win Wealth* (1614), 23.

ance to sell, in the hope of obtaining licence from the Privy Council to export their cloth themselves¹. The Company found difficulty in coping with the free traders, who imported Eastland commodities not only through the Sound but also from Hamburg and Amsterdam². Neither the instructions given to the customs officials not to pass any goods to and from the East Country without the Company's warrant, nor the severe penalty imposed on the interloper found trading within the fellowship's jurisdiction—the forfeiture of one-half of his goods—acted as a deterrent³.

*With-
drawal of
official
support.*

During the Interregnum official support was withdrawn from the Company, and its enemies were active in demonstrating the benefits of free trade in which young merchants could range from place to place and by selling cheap extend the sale of their commodities abroad⁴. The Company addressed petitions to the Council of State, representing 'the sad effects' produced by the suspension of its privileges, and setting forth its claims to the nation's gratitude—the export of cloth, whose price it kept up by warehousing it abroad when the market was glutted; the import of raw materials and precious metals; the former employment of two hundred large ships which constituted a 'nursery for seamen'; and the acquisition of foreign privileges⁵. At the moment the plea for the re-establishment of its government elicited no response, but after the Restoration its charter was renewed (1661)⁶. The affairs of the Company remained, however, in an unsatisfactory state; and, faced with the evidence of declining trade, it appealed to the King in 1671 to prohibit aliens, especially the merchants of Danzig, from importing Eastland commodities. The Council of Trade reported favourably on the petition, subject to the

¹ *State Papers Domestic*, 1619–1623, p. 407.

² *Ibid.* 1629–1631, p. 443.

³ *Ibid.* 1635–1636, p. 282; *Acts and Ordinances of the Eastland Company*, 40.

⁴ Johnson, *A Plea for Free-Men's Liberties or the Monopoly of the Eastland Merchants Anatomized* (1646).

⁵ *State Papers Domestic*, 1655–1656, p. 97 (1656); 1659–1660, pp. 283–284 (1659). The privileges claimed by the Company included religious liberty, accommodation, etc.: *ibid.* 1628–1629, p. 378. In 1645 Denmark conceded the same tolls as the Dutch paid: *Acts and Ordinances of the Eastland Company*, 159 *seq.*

⁶ *Acts and Ordinances of the Eastland Company*, p. xlviii.

conditions that the Company admitted any person on a fine of five pounds, levied no impositions on the export of English manufactures, and observed the Act of Navigation. The Company objected that a reduction of the fine would 'cumber the body with unskilful members': it consented to remove impositions on woollen goods, but intimated that it would be obliged to increase them on foreign imports: it agreed to observe the Act of Navigation, but claimed that it might use foreign vessels when English ships were not 'ready in time'¹. Alienated by this refusal to entertain the Government's proposals, Sir George Downing carried a motion in the House of Commons for throwing open the Eastland trade²; and the Act of 1673 established freedom of trade to Sweden, Norway and Denmark, and gave all persons the right of admission into the Eastland Company on payment of forty shillings³. Although the Act "cut off a good part of our privileges", namely, the western side of the Baltic, there still remained the eastern side; and the London members, with the concurrence of the coast towns, decided to adhere to the privileges left to them, finding a grain of comfort in the reflection that their position, while shorn of much of its dignity, was now fortified by parliamentary sanction⁴.

The curtailment of privileges.

After the Revolution the Eastland Company was called upon to face the concerted attack made upon all the companies⁵, but—more fortunate than the Merchant Adventurers—it secured a saving clause in its favour in the Act of 1689 which gave, with some exceptions, a general liberty for the export of woollen manufactures⁶. "Now", wrote the London court in its joy to the provincial members,

The end of the Company.

¹ *State Papers Domestic*, 1671, p. 210.

² The Company's account mentions Downing specially as responsible: *Acts and Ordinances of the Eastland Company*, 93.

³ *Statutes*, v. 793.

⁴ *Acts and Ordinances of the Eastland Company*, 93, 95; *Newcastle Merchant Adventurers*, ii. 154. Danzig, Riga and Queenborough were 'the considerable places of our trade remaining': *ibid.* ii. 154.

⁵ The case for the Eastland Company was presented in a pamphlet written by its governor, N. Tench, entitled *Reasons humbly offered by the . . . Eastland Merchants against the giving of a general liberty to all persons whatsoever to export the English woollen manufacture whither they please* (1689).

⁶ *Supra*, p. 266, note 4.

"we do esteem this a kind of establishment of the Company by Act of Parliament"¹: but its triumph was illusory. The position of the Eastland Company had been revolutionized by the Act of 1673, which narrowed its exclusive sphere and threw open its doors to all on payment of a nominal fine. Before the seventeenth century closed London's correspondence with the outports had ceased², since its control was no longer worth maintaining. The Company passed into obscurity, from which it emerges only in the year 1764 when Anderson set down this brief notice of its latter end in *The Origin of Commerce*³: "They no more exist commercially or otherwise, but in name only, which it seems they still keep up by continuing to elect their annual officers; and having (like another company in similar circumstances, viz. that of the Merchants of the Staple) a little stock in our public funds, the interest thereof defrays the expenses of their yearly meetings, for no end but to commemorate their former existence in a restrictive capacity; and at those meetings they still continue to elect their principal annual officers, though now merely nominal"

(IV)

THE RUSSIA COMPANY

'The discovery of Russia'.

The opening up of trade with Russia was the unexpected sequel to the search for a North-East passage⁴. Henry VIII. had been urged to undertake 'the discovery of the North' on the ground that "of the four parts of the world it seemeth three parts are discovered by other princes. For out of Spain they have discovered all the Indies and seas occidental, and out of Portugal all the Indies and seas oriental. . . . So that now rest to be discovered the North parts, the which it seemeth to me is only your charge and duty. Because the situation of this your realm is thereunto

¹ *Acts and Ordinances of the Eastland Company*, 127.

² *Ibid.* pp. lxxxvii-lxxxviii. 139; *Newcastle Merchant Adventurers*, li. pp. xx. 158.

³ (*Ed.* 1764), i. 420.

⁴ For the North-East passage, cf. *Hist. MSS. Comm. Pepys*, 6. For the North-West passage, see *infra*, p. 360.

nearest and aptest of all other ; and also for that you have already taken it in hand " ¹. In the reign of his successor the project took shape, when in 1553 a body of London capitalists provided six thousand pounds to fit out an expedition for the 'discovery of the northern part of the world' ². Three ships were sent out under Sir Hugh Willoughby and Richard Chancellor: two suffered disaster and the third under Chancellor made 'the discovery of Russia' ³, whose ruler received him at Moscow and promised freedom of intercourse for English merchants ⁴. The promoters of the voyage were rewarded for their enterprise with a charter of incorporation in 1555 ⁵. Under the title of 'Merchants Adventurers of England for the discovery of lands . . . unknown', they were constituted a perpetual fellowship with a governor—the first was Sebastian Cabot—four consuls and twenty-four assistants; and they were invested with the exclusive right of trading to Russia. The position of the Company was fortified by a grant of privileges in the same year from the Tsar ⁶, who gave English merchants liberty to trade within his dominions, immunity from taxation ⁷, and jurisdiction over their fellow-countrymen.

A decade later, as a result of the activities of the inter-lopers at Narva ⁸, parliamentary sanction for the Company was obtained—one of the rare occasions on which a chartered company derived its legal status from an Act of Parliament. The Act of 1566 confirmed the Company's monopoly and changed its title to 'The Fellowship of English Merchants for Discovery of New Trades'. Three provisions of the Act are noteworthy. The first, 'for the better maintenance of the navy', restricted the Company to the use of English ships 'sailed for the most part with English mariners': the second, in the interests of the cloth-finishers, prohibited the export of cloth unless dressed and dyed: the third gave

*Legal
status of
the Russia
Company.*

¹ Hakluyt, *The Principal Navigations* (ed. 1903), ii. 161. (The date is 1527.)

² *Ibid.* ii. 240.

³ *Ibid.* ii. 249.

⁴ *Ibid.* ii. 271.

⁵ Printed in *ibid.* ii. 304 seq.

⁶ *Ibid.* ii. 297 seq.; *Hist. MSS. Comm. Bath*, iii. 149.

⁷ Subsequently they paid half the customs paid by other foreign traders: *State Papers Foreign*, 1585-1586, pp. 54-55.

⁸ *Infra*, p. 334.

merchants of York, Newcastle, Hull and Boston, engaged in the trade for the past ten years, the right of admission into the Company¹. The next year the Tsar conferred upon the Company the exclusive right of trading in the 'north parts' of his dominions: "None beside . . . out of what kingdom soever it be, England or other, shall come in trade of merchandise", under penalty of forfeiting ships and goods². Under his protection factories were established at Moscow, Novgorod and other Russian towns. The Company's practice at first was "to send early in the year a fleet of ships, to the number usually of thirteen or fourteen, laden with English goods, to their station at Rose Island at the mouth of the Dwina. Much of the merchandise was bartered away at Cholmogory for the furs and skins of Siberia; the rest was conveyed in boats up the river to Vologda and thence dispersed over the kingdom. The return voyage was made by the fleet in the autumn"³. The main article of export was English cloth dressed and dyed: the imports included furs, wax, oil, timber and naval stores, especially cordage, of which large quantities were supplied for the use of the royal navy⁴. Corn was also imported on occasion⁵, and money was sometimes exported⁶.

Expeditions to Persia.

In its early days the Company did not content itself with the field which had been opened up by the discovery of a Russian port. It conceived the vision of a trade with India carried on by an overland route through Russia and Persia, which its agent, Michael Lock, promised "would overthrow the most part of the traffic and wealth of the Italians and would bring all that wealth into the hands of Englishmen. . . . And also, by this drawing of the traffic of spices to be brought from India through Persia to the way of

¹ Hakluyt, *The Principal Navigations* (ed. 1903), iii. 83 *seq.*

² *Ibid.* iii. 97, 116; *Hist. MSS. Comm. Salisbury*, i. 347-348. The privileges were suspended for a short time in 1570, apparently for political reasons: *Russia at the Close of the Sixteenth Century* (Hakluyt Society Publications), p. xxviii.

³ *Russia at the Close of the Sixteenth Century* (Hakluyt Society Publications), p. viii.

⁴ *Hist. MSS. Comm. Salisbury*, v. 399, 462; vii. 12, 504. *House of Lords MSS.* 1697-1699, p. 294. For furs, *see supra*, p. 187.

⁵ *Hist. MSS. Comm. Salisbury*, vii. 206; viii. 80. *State Papers Domestic*, 1638-1639, p. 4.

⁶ *State Papers Domestic*, 1619-1623, p. 253.

Astrakhan, the whole traffic of the King of Portugal now used to his East India in short time would be utterly overthrown" ¹. Anthony Jenkinson was sent on a mission in 1561, the first of six expeditions in which attempts were made to establish commercial intercourse with Persia ². But the hazards of the overland route proved insuperable, and two new companies, the Levant and the East India, were founded to carry on the trade by sea. Nearly two centuries later the Russia Company attempted to reopen the trade with Persia, but the Levant Company was now too firmly entrenched ³.

The basis on which the trade with Russia was conducted was described in the Report on Free Trade (1604) as a monopoly in a monopoly: "The Muscovy Company, consisting of eight-score or thereabouts, have fifteen directors who manage the whole trade; these limit to every man the proportion of stock which he shall trade for, make one purse and stock of all, and consign it into the hands of one agent at Moscow, and so again at their return to one agent at London, who sell all and give such account as they please. This is a strong and a shameful monopoly—a monopoly in a monopoly—both abroad and at home. A whole Company by this means is become as one man, who alone hath the uttering of all the commodities of so great a country. The inconveniences which have ensued thereof are three apparent. First: by this means they vent less of our commodities, for by reason of the one agent they vent all through his hands; by which means the Hollanders have come in between us, who—trading thither in several with our own English commodities (which are most proper for that country)—utter much more than our own merchants and make quicker return, which hath occasioned many Englishmen to join in trade with the Hollanders to the detriment of the King's majesty in his customs. And by this means that trade is like utterly to decay, for the Hollanders have grown in short

The Russia Company: A monopoly in a monopoly.

¹ 1575: *Russia at the Close of the Sixteenth Century* (Hakluyt Society Publications), pp. xiii-xiv.

² The expeditions are described in *Early Voyages and Travels to Russia and Persia* (Hakluyt Society Publications), i. 121 seq.; ii. 378.

³ *Infra*, p. 349.

time from two ships to above twenty ; this spring they are gone to Muscovy with near thirty ships, and our men but with seven. The like fell out in the Turkey Company when they constrained men to a joint stock ; since the breaking of which combination there go four ships for one. Secondly : in their return with Muscovy commodities they greatly prejudice the commonwealth and State. Example in cordage which they bring home in such scarcity, and sell so dearly, as that they have raised it in short time from twenty to thirty shillings ; yea, to sell their ware dear, they have contracted with the buyer not to bring any more of that commodity within three years after. Thirdly : this is hurtful to all the young merchants of their own Company, who cannot forbear their stock so long as now they do, and desire to employ their own industry in managing it, and having oftentimes been all damnified by the breaking of that general factor " ¹.

*Decline of
the Com-
pany's for-
tunes.*

A few years later English merchants were lamenting the loss of ' one of their best trades ', which formerly employed seventeen ships but now only two, while the Dutch had thirty-five ². The Company had failed to retain the monopoly of European trade with Russia, and as early as 1583 the Dutch had forced their way in ³. The Tsar declined to exclude other merchants from his territories. " To shut up the recourse of many people out of many kingdoms were not reason ", he wrote to Elizabeth in 1585, " your merchants would reap all the profit themselves alone " ⁴. The complaint was of long standing that the English traders in Russia abused their privileged position. " The merchants are here esteemed ", it was said in 1568, " as most greedy cormorants ". Their ' unreasonable prices ' soon stirred up competition : " for other men, perceiving their folly, offer to serve the prince of all such wares as come out of England a third

¹ *House of Commons Journals*, i. 220.

² Kayll, *The Trades Increase* (1615), 4. Monson (*temp.* Charles I.) mentions 60 : Churchill, *A Collection of Voyages and Travels* (1704), iii. 556. Similarly : *The Royal Trade of Fishing* (1662), 9.

³ *Russia at the Close of the Sixteenth Century* (Hakluyt Society Publications), pp. liii, lx.

⁴ *State Papers Foreign*, 1585-1586, p. 55.

part better cheap" ¹. Besides this foreign competition the Company was hampered by serious difficulties, due to losses at Greenland, the destruction of its warehouse at Archangel, loans to the Tsar, delay in obtaining payment from the Crown for naval stores, the fraudulent conduct of its factors abroad, who traded on their own account, and lastly its own financial mismanagement ². These difficulties doubtless explain why the Russia Company was transformed for a period into a regulated company, when 'every man ran his own adventures' instead of trading 'with one entire and common stock' ³.

The Civil War reacted disastrously upon the fortunes of English merchants in Russia. The Tsar revoked their privileges, imposed 'double the customs of other nations', and finally expelled them from his dominions before they had time to collect their debts: "calling us traitors and the servants of traitors and unfit to live in any Christian State" ⁴. His action was attributed to the influence of the ambassador of 'the pretended King of Scots' in whose cause the Tsar had given or lent large sums ⁵, but the explanation may also lie in the offer of the Dutch to pay 15 per cent. customs duty at Archangel ⁶. Under the Commonwealth an attempt was made to obtain a renewal of the Company's privileges, but it was fruitless, Cromwell's envoy to Moscow being 'ill received' ⁷. After the Restoration another envoy was sent (1663), yet the only concession which he secured was permission for English merchants to trade with Russia on the

*Effects of
the Civil
War on the
Company.*

¹ *State Papers Foreign*, 1566-1568, p. 463.

² On these points, see *State Papers Domestic*, Addenda, 1580-1625, p. 640; *State Papers Foreign*, 1566-1568, pp. 463, 537; *Hist. MSS. Comm. Salisbury*, v. 462; vi. 511; vii. 12, 504; *Russia at the Close of the Sixteenth Century* (Hakluyt Society Publications), pp. lxxxii, lxxxix; *Early Voyages and Travels to Russia and Persia* (Hakluyt Society Publications), i. pp. cviii seq.; Scott, *Joint-Stock Companies*, ii. 64. Also *infra*, vol. iii. 153.

³ E.g. 1623 and 1624: *Acts of the Privy Council*, 1621-1623, p. 435; Friis, *Alderman Cochayne's Project*, 56, note 5. Malynes alludes to 'the dissolution of the joint stock of the Russia Company': *The Maintenance of Free Trade* (1622), 43.

⁴ *State Papers Domestic*, 1653-1654, p. 340. This was in 1646. But according to Coke, *Treatise* (1675), iv. Preface, the execution of Charles I. 'extinguished' the trade.

⁵ *State Papers Domestic*, 1653-1654, p. 340.

⁶ Macpherson, *Annals of Commerce*, ii. 435.

⁷ *State Papers Domestic*, 1655, p. 316; Rymer, *Foedera*, xx. 795.

same terms as the Dutch¹. Unable to gain the restitution of its former privileges, the Company ceased to trade in a corporate capacity and was reorganized on a regulated basis. The change was no doubt due, in part, to the discontent of its members at the want of success which had attended their joint-stock enterprises, but the motive for corporate trading also disappeared when the Company, divested of its immunities, was made to occupy the position in Russia of other foreign traders. The Greenland Company, which was a branch of the Russia Company, remained a joint stock².

*Survival of
the Com-
pany on a
regulated
basis.*

The survival of the Russia Company on a regulated basis served mainly to provide opportunities for exploiting non-members since its trade, computed to be only one-fortieth of the Dutch, was counted among 'trades lost'³. An admission fine of fifty pounds⁴ reduced the membership by 1697 to thirteen, who issued licences to non-freemen to trade with Russia (except Archangel) on payment of 1 per cent. of the value of their imports⁵. A body of London merchants petitioned Parliament to put the Russia Company on the same footing, in respect of admission fines, as the Eastland Company and the Merchant Adventurers, urging that "the territories to which the Russia Company do trade are of vast extent, and the trade thither must be much improved to England if other English merchants had liberty to trade"⁶. Their application received the support of the manufacturing interest⁷, but though a committee of the House of Commons reported favourably⁸, the attempt to carry through a Bill for enlarging the trade to Russia by an easy admission into the Company was defeated⁹. A new development soon made it impossible for the Company to confine its privileges to a small coterie. On the occasion of the Tsar's visit to Holland in 1697, the English ambassador at The Hague was instructed to negotiate a treaty for 'liberty

¹ Macpherson, *Annals of Commerce*, ii. 435-436.

² Child, *A New Discourse of Trade* (4th ed.), 110. See *infra*, vol. iii. 152.

³ Child, *op. cit.* pp. xx, 113; Coke, *Treatise* (1671), ii. Preface.

⁴ *House of Lords Journals*, xvi. 312. Sometimes £60: *House of Commons Journals*, xi. 675.

⁵ *House of Commons Journals*, xi. 675; xii. 433.

⁶ 1696: *ibid.* xi. 629.

⁷ *Ibid.* xi. 675 (1697).

⁸ *Ibid.* xi. 705.

⁹ *Ibid.* xi. 705.

to import tobacco into Russia'¹. The belief was cherished that "the ministers of the Emperor may be made sensible of the great usefulness of tobacco to soldiers in the fatigues and hardships of war, especially in a cold country, which might be an inducement to them to advise the allowance of it". If this solicitude for the Russian soldier did not make a sufficient appeal, the ambassador was to represent "the great advancement to be made in the Emperor's revenue by the duties that might be laid upon the commodity"². The next year, when the Tsar was in England³, he entered into a contract with a group of English capitalists to whom he gave the concession, in return for a loan of £12,000, of the sole importation of tobacco in his dominions for the term of seven years⁴. A joint stock was formed with a capital of about £50,000 contributed by over seventy subscribers⁵. The Russia Company discouraged the project, in which it declined to participate, and demanded a percentage on the sale of the tobacco⁶. The contractors offered instead to pay £500 fine⁷, and failing to effect an agreement they promoted a Bill in Parliament for reducing the admission fine into the Company. The latter protested that the new members would outvote the rest and make them share in any loss arising from the contract⁸, but the remonstrance went unheeded. In 1699 the entrance fee was reduced from fifty to five pounds, and the disqualification of retailers was abolished⁹. The consequences were seen in the stimulus given to the trade with Russia. The value of our imports from Russia increased nearly ninefold between 1699 and 1773, and the value of our exports to Russia in the same period was trebled¹⁰. In 1762 the authorities of St. Petersburg declared that the English had become 'entire masters of the trade' of Russia. "They sell their goods on time at high rates to people of no capital,

The tobacco project

¹ *Hist. MSS. Comm. Portland*, iii. 589; *ibid. Bath*, iii. 148-150.

² *State Papers Domestic*, 1697, p. 296.

³ *Hist. MSS. Comm. Portland*, iv. 191-192.

⁴ *House of Lords MSS.* 1697-1699, p. 219.

⁵ 1 per cent.; later $\frac{1}{2}$ per cent.: *ibid.* 220.

⁶ *Ibid.* 221.

⁷ *Ibid.* 219, 221.

⁸ *Ibid.* 295.

⁹ *Statutes*, vii. 463. The House of Commons originally proposed 40s.: *House of Lords MSS.* 1697-1699, p. 218.

¹⁰ Whitworth, *State of the Trade of Great Britain* (1776), part ii. 29-30.

furnish them with ready money, and bind them by contracts to deliver goods at low prices"¹.

*Conflict
over the
demarca-
tion of
spheres.*

In this conflict over enlarging the trade to Russia a prominent part was taken by the Eastland merchants who were described as the Company's 'chief opponents'². The reason affords fresh illustration of the friction existing between the chartered companies over the demarcation of their respective spheres. The bone of contention was Narva, which was frequented by non-freemen on the pretext that it was not Russian territory at the time the Company was incorporated³. To meet this objection the Act of 1566 assigned Narva to the Company⁴: it was therefore expressly excluded from the charter of the Eastland merchants⁵, but the prohibition was disregarded. The Company's attempt to impose duties on non-members who traded to Narva was resented by the Merchant Adventurers and the Eastland merchants, especially in the northern ports⁶, who combined to oppose the demands made upon them. In 1698 the Eastland merchants presented a petition to Parliament in which they claimed that their predecessors were the first to find out the trade to Narva, and that they had enjoyed the sole freedom and advantage of the trade undisturbed, until the Russia Company recently laid a great imposition upon goods imported from thence⁷. Another conflict over the demarcation of spheres arose in the middle of the eighteenth century, when the Russia Company came into collision with the Levant Company in regard to the trade with Persia⁸.

¹ *Hist. MSS. Comm. Lothian*, 232-233. In 1766 'greatly above a half in value' of the commerce of St. Petersburg was in British hands: Macpherson, *Annals of Commerce*, iii. 454.

² *House of Lords MSS.* 1697-1699, p. 296.

³ It was taken by Russia in 1558: *Russia at the Close of the Sixteenth Century* (Hakluyt Society Publications), p. xxi. In 1581 it was taken by the Swedes: *ibid.* 182.

⁴ Hakluyt, *The Principal Navigations* (ed. 1903), iii. 87, 91.

⁵ *Supra*, p. 318, note 9.

⁶ *Newcastle Merchant Adventurers*, i. 77, 221-222, 226, 229.

⁷ *House of Commons Journals*, xii. 93. The imposition was 1 per cent.: *ibid.* xi. 675.

⁸ See *infra*, p. 349. The Russia Company "up to the Revolution possessed its own parish church in Moscow and its own charitable institutions": *The Quarterly Review*, July 1925, p. 153.

(v)

THE LEVANT COMPANY

The beginnings of English trade in the Mediterranean date chiefly from the fifteenth century, and its progress was marked by the appointment of consuls in the ports of southern Europe¹. This 'ancient navigation into the Levant'² suffered in the next century a severe set-back. The Turkish occupation of the Archipelago "drove our nation clean from the trade, so as for thirty years and more the same was wholly left off and no English ship durst pass into the Straits"³. These 'thirty years and more' lie between 1550, when 'a prosperous voyage' was made to the eastern Mediterranean, and 1583, when 'the tall ship' called the *Susan of London* set sail for Constantinople. In the interim the trade was 'utterly discontinued'⁴, although a London merchant and famous traveller, Anthony Jenkinson, obtained from the Sultan in 1553 the privilege of trading in his dominions⁵. Moreover the discovery of a new route to India transferred much of the spice trade from the Venetians to the Portuguese; and when the latter, after sailing 'about three parts of the earth almost', brought home the spices, 'the great rich purses' of the merchants of Antwerp "engrossed them all into their own hands"⁶. The fact that Antwerp was 'the storehouse for all merchandise out of Spain and Portugal' discouraged English enterprise, since from Antwerp, as Burghley remarked, "one hoy will bring as much in one year as ten merchant ships were wont to bring from the other places in two years"⁷. The severance of

*Beginnings
of the
Mediterranean
trade.*

¹ *Supra*, vol. i. 590.

² Burghley's phrase: *Tudor Economic Documents* (ed. Tawney and Power), ii. 104.

³ See Harborne's memorandum (c. 1588) in *Transactions of the Royal Historical Society*, 4th ser. v. 18.

⁴ The trade was 'much frequented' 1511-1534, and then 'not so commonly' until 1550: Hakluyt, *The Principal Navigations* (ed. 1904), v. 167-168. For the voyages of 1550 and 1583, see *ibid.* v. 71, 243.

⁵ *Ibid.* v. 109, 168.

⁶ Wheeler, *A Treatise of Commerce* (1601), 36.

⁷ *State Papers Foreign*, 1581-1582, p. 651; *Tudor Economic Documents* (ed. Tawney and Power), ii. 125.

commercial intercourse with Antwerp early in Elizabeth's reign¹ doubtless raised hopes of an independent trade, though the statement that a company of Levant merchants existed as early as 1567² appears to be based upon a misapprehension³. Towards the middle of the reign plans for resuming trade with the Levant were revived in earnest. The growing enmity of Spain must have impressed upon English merchants the danger of depending for their market in Eastern commodities upon channels which were controlled by the national enemy; and the enterprise of the Venetians and the French, who had already established trading relations with Turkey, served to excite their emulation⁴. There are also indications of a political motive: in the opinion of the French King "not commerce, but some deeper design, was at the root of the Queen's action", and it was believed that she contemplated an alliance with Turkey against Spain⁵.

Two London merchants, Sir Edward Osborne and Richard Staper, sent out agents to Constantinople in 1575 to procure a safe-conduct for William Harborne, Osborne's factor, who made the journey thither three years later and received a grant of privileges from the Sultan in 1580⁶. Armed with a

¹ *Supra*, p. 199.

² Scott, *Joint-Stock Companies*, ii. 83.

³ In Cotton MS. Nero B., xi. ff. 321-328 b, there is a document dated April 18, 1567, and signed 'William Garrard, Rowland Hayward, Governors'. The *Catalogue of the Cotton MSS.* (1802) described this document as 'Instructions of the Governors of the Levant Company' to one of their Agents. But there is, I think, no doubt that the description is incorrect. Garrard and Hayward were the governors of the Russia Company; Rowley, the agent named in the document, was the Russia Company's chief agent in Russia at this period; and the document itself (which is printed in *Early Voyages and Travels to Russia and Persia*, Hakluyt Society Publications, ii. 206 seq.) deals mainly with Russian affairs, though there are references to Persia, in which the Russia Company was deeply interested (see *supra*, p. 328). Mr. F. Wormald of the British Museum informs me that, in concurrence with this view of the document, the entry in the *Catalogue* has been changed.

Further, 'the traffic of the Levant Seas' in 1566 (referred to in Scott, *op. cit.* ii. 83, note 4) alludes, as the context shows, to Italian traffic, not English: *Hist. MSS. Comm. Salisbury*, i. 341.

⁴ Monson, *Naval Tracts* in Churchill, *A Collection of Voyages and Travels* (1704), iii. 443.

⁵ *Transactions of the Royal Historical Society*, 4th ser. v. 5. This was the Spanish belief, according to Harborne's account: *ibid.* 22.

⁶ Hakluyt, *The Principal Navigations* (ed. 1904), v. 168, 178.

trading concession similar to that enjoyed by other European merchants—to “buy and sell without any hindrance, and observe the customs and orders of their own country”—a group of London capitalists, headed by Osborne, procured from Elizabeth in 1581 the sole privilege of ‘trading into the dominions of the Grand Signior’ for a term of seven years¹. The Company, which was confined to a few members², was organized on the basis of a joint stock³, and the Queen herself contributed forty thousand pounds as a loan or an investment⁴. Two years later another body of merchants obtained a charter which embraced the dominions of Venice. The circumstances in which the Venice Company originated date back to 1575 when Elizabeth granted a patent to the Earl of Leicester in the name of Acerbo Velutelli and others, prohibiting the importation of the products of the Levant—currants, wine and oil—without the licence of the patentees. The latter exacted an imposition on these commodities when they were brought without their licence, and the merchants of Venice complained to the Signory, which retaliated with impositions on all English goods imported into Venetian territory, and on currants, wine and oil exported by English merchants. Elizabeth rescinded her patent, but the State of Venice, in the hope of driving English merchants from the trade of the Mediterranean, declined to withdraw the impositions. Failing in her suit to Venice, the Queen gave a body of English merchants in 1583 the sole privilege of importing currants, wines of Candia and oil for a term of six years⁵.

The charters of 1581 and 1583 lapsed, the one in 1588, the other in 1589⁶; and no company existed for two or three years. The delay in the issue of a fresh charter was probably due to influential complaints that the proposed

¹ Hakluyt, *The Principal Navigations* (ed. 1904), v. 192 seq.

² The charter named four persons, who were authorized to nominate others ‘not exceeding the number of twelve’; in addition the Queen reserved the right to appoint two members: *ibid.* v. 193, 200. See *infra*, Appendix, p. 498, No. 2.

³ *Infra*, pp. 338, 339 (note 1); *Hist. MSS. Comm. Finch*, i. 414.

⁴ Scott, *Joint-Stock Companies*, i. 70; ii. 84.

⁵ *Hist. MSS. Comm. Salisbury*, xi. 579.

⁶ The companies’ statements of their trade during these years are summarized in Rowland and Manhart, *English Commerce and Exploration in the Reign of Elizabeth*, 73-75.

*Combined
in a single
Company.*

membership was too restricted. The intention was apparently to confine the new corporation to nineteen members, who claimed 'the sole use' of the trade to Turkey and Venice on the plea that they had spent forty thousand pounds in maintaining ambassadors and consuls and in other charges, and had hazarded their estates 'in making trials and perfecting unfrequented trades'. Their claim was fortified by the threat to withdraw from the enterprise if they were compelled to admit others, "who have no regard as to what a weighty matter it is not to overcharge a trade"¹. But the opposition was successful in enlarging the membership, and the new charter (1592) enumerated fifty-three persons and offered the option of joining to twenty more². This charter incorporated the two groups in one company, and conferred on them the exclusive privilege of trading for a term of twelve years in the dominions of Turkey and Venice, 'and also by land through the countries of the Grand Signior into and from East India', together with the sole right to import currants and wines of Candia³.

*Organized
as a joint
stock.*

The Company which traded with Turkey from 1581 to 1588 had been organized on a joint-stock basis, and the question arose whether the new company should be joint stock or regulated. Harborne, who had been ambassador in Constantinople, recommended "the traffic to be continued as formerly in one joint purse". "If so be this stock for Turkey should not be . . . in one joint purse (as formerly it was), the traders shall lose rather than profit thereby"; and "the weaker witted—inveigled by the malicious Turk and crafty Moor and faithless Greek (other brokers than which be not in those parts)—shall by selling at under prices not only bring those our commodities out of estimation, but also through their overhasty imprudence . . . raise the foreign commodities to excessive price. . . . By experience of ten years' residence I do truly affirm, upon my certain knowledge, a common purse shall utter twice so much commodities and to more profit than when everyone

¹ *State Papers Domestic, 1591-1594*, pp. 58-59.

² Hakluyt, *The Principal Navigations* (ed. 1904), vi. 75-76, 87-88.

³ *Ibid.* vi. 73-92; *State Papers Domestic, 1591-1594*, pp. 169, 227

shall draw apart by himself" ¹. Harborne was supported by others who urged that the Levant Company should trade 'as in the time of their former patent' with 'one joint capital stock' ². The question whether these views prevailed is obscure. It is possible that the new Company started on a joint-stock basis, though it is clear from the correspondence of John Sanderson that as early as 1595 its members traded as individuals and employed factors ³. The Company levied loans and dues at Aleppo and Constantinople upon the goods of 'every trader into the parts of Turkey', but some of the factors, 'wilful and unbridled young heads', were 'loth' to pay the exactions, saying "that they had no order from their masters". Sanderson, who was treasurer of the Company as well as a factor, complained of their recalcitrance and pressed the Company to act "in such effectual manner that these your factors make no contradiction" ⁴. Other evidence would suggest that the Company founded in 1592 was not altogether on a regulated basis. The Venetian Ambassador in Constantinople wrote home in 1600: "It seems that they [*sc.* the Levant Company] do not pay a dividend owing to the small profits they make on their business" ⁵. A reference in the Privy Council's records to one Rose 'late factor to the Company of Turkey merchants' at Aleppo is ambiguous, but it need not mean that he was the factor of a member of the Company rather than of the Company itself ⁶. On the last day of 1600 the Company received a new charter on condition of an annual payment of four thousand pounds as a composition for all charges on currants and oils, 'customs and subsidies therefor due only excepted' ⁷: but the burden proved too heavy and it relinquished its privileges at the accession of James I. To make good the loss of revenue the Crown

Termination of the joint-stock system.

¹ Harborne's memorandum (printed in *Transactions of the Royal Historical Society*, 4th ser. v. 25-27) disproves the view of Anderson, *The Origin of Commerce* (ed. 1764), i. 441: "This general Turkey Company has, from the beginning, been only what is called a regulated company".

² *State Papers Domestic*, 1591-1594, pp. 83, 89, 170.

³ *The Travels of John Sanderson in the Levant* (ed. Foster), 143 (see also p. 146). Staper, one of the governors of the Company, had a factor at Aleppo in 1599: *Hist. MSS. Comm. Salisbury*, ix. 386. There is also a reference to individual trading in 1596 in *ibid.* vi. 187.

⁴ *The Travels of John Sanderson in the Levant* (ed. Foster), 178, 181, 189, 194, 196, 200 (1598-1600).

⁵ *State Papers Venetian*, 1592-1603, p. 395.

⁶ *Acts of the Privy Council*, 1590-1600, p. 721 (1600).

levied an imposition on currants, an exercise of prerogative which raised an important constitutional issue¹. For a time the trade remained open, and the Report on Free Trade (1604), alluding to the time when "the Turkey Company constrained men to a joint stock", remarked: "Since the breaking of which combination there go four ships for one"². The following year another charter³ was granted, and the Company was definitely established on a regulated basis. This did not prevent temporary reversions to a 'public purse'. The fact that every member was now 'in a distinct interest'⁴ had the natural result of increasing supplies and lowering prices; and to check 'such disorder' in the trade a joint stock was occasionally sanctioned, for example, in 1620 and again in 1630⁵. The trade to the Morea was singled out for exceptional treatment: in some cases it was farmed by a member of the Levant Company⁶, and it came to be conducted on a joint-stock basis by a Morea Company which was part of the parent Company⁷.

*Constitu-
tion of the
Levant
Company.*

The constitution of the Levant Company, in contrast with that of the Eastland Company, was democratic. The general body of members elected the officials, consisting of a governor, a deputy governor and a court of assistants who numbered at first twelve and later eighteen⁸. The Company was empowered to frame ordinances and 'correct' offenders by imprisonment or fines; and to strengthen its authority magistrates were instructed to support the governor and assistants in executing the ordinances, wardens of prisons were required to receive in custody persons confided to their charge, and customs officials were forbidden to pass any merchandise for export to the Levant unless owned by freemen. As the charter of 1605 was granted soon after the famous 'Free Trade' debate in the House of Commons, it announced

¹ Gardiner, *History of England* (ed. 1883), ii. 3 seq.

² *House of Commons Journals*, i. 220. It is not clear whether this refers to the first Company (1581) or the second Company (1592).

³ Printed in Epstein, *The Early History of the Levant Company*, Appendix i.

⁴ *Hist. MSS. Comm. Finch*, i. 414.

⁵ Epstein, *op. cit.* 120, 125.

⁶ *Ibid.* 122.

⁷ Justice, *A General Discourse of Commerce* (1707), 3; Macpherson, *Annals of Commerce*, ii. 202; Wood, *A History of the Levant Company*, 70-72.

⁸ Twelve in the charter of 1592: Hakluyt, *The Principal Navigations* (ed. 1904), vi. 77. Eighteen in 1605: Epstein, *op. cit.* 164.

the intention "not to appropriate the trade to any limited number of merchants, nor to any one city, nor to suffer the same to be used in any degree of monopoly, but to lay open the same to all". The Company therefore claimed that its charter had been given "to the whole nation, so many as please to come in"¹, yet two conditions of membership were laid down in the charter. The first limited admission to 'mere merchants' and excluded retailers. The second exacted entrance fees which varied according to the age of the candidate—those under twenty-seven years paid £25, others £50. The Commission of 1622 recommended that the admission fine should be reduced to £10². This was done, but it rose again, and an Ordinance of Parliament in 1644 fixed the amount at £25 if under twenty-seven years, and £50 if above³. More than a century later (1754) an Act of Parliament lowered the admission fine to £20⁴. The charter of Charles II. (1661) added a third condition of membership: it directed that no one residing within twenty miles of London, other than 'noblemen and gentlemen of quality', should be admitted unless he became a freeman of the city of London⁵. This requirement, which involved a candidate in considerable expense, was only removed by the Act of 1754⁶. The ordinary avenue to membership, however, was not by redemption but by patrimony and apprenticeship⁷. High premiums were paid with apprentices. About the middle of the seventeenth century Dudley North was apprenticed for £350 'and no more', but his master was 'no deep trader' and his business was small⁸; and he himself when he became a 'Turkey merchant' demanded £600⁹. At the end of the century one thousand

*Conditions
of member-
ship.*

¹ *Hist. MSS. Comm. Finch*, i. 414. The charter of 1592 enumerated 53 actual and 20 potential members (*supra*, p. 338); that of 1605 recited 119 names (Epstein, *op. cit.* 59). In 1681 the Company professed to have 'at least 500 traders'—a rhetorical figure—(Macpherson, *Annals of Commerce*, ii. 601), and in 1720 it stated that the number was 200 (*ibid.* iii. 115). See also Wood, *A History of the Levant Company*, 151.

² Epstein, *op. cit.* 107. For the Commission of 1622, see *infra*, vol. iii. 307.

³ *Acts and Ordinances of the Interregnum*, i. 396.

⁴ *Statutes at Large*, vii. 24.

⁵ *House of Commons Journals*, xxiv. 591.

⁶ *Statutes at Large*, vii. 24.

⁷ On these terms, see *supra*, p. 216.

⁸ North, *The Lives of the Norths* (ed. Jessopp), ii. 7. 37.

⁹ *Supra*, p. 192.

pounds was sometimes paid 'at binding out'¹. An apprentice served seven years², after which he was often sent abroad to carry on trade as a factor for his master or for other merchants³.

*Control of
the Levant
trade.*

At home the Company exercised control over the trade of its members in ways designed to manipulate the market in the interests of the seller. Close seasons for shipping might be appointed to prevent a glut of commodities, or the prices might be fixed at which the produce of the Levant was to be bought and cloth at Aleppo sold⁴. These methods of rigging the market wore another aspect when viewed from the standpoint of the clothiers, who were compelled to keep dead stock upon their hands until the Company allowed the ships to depart⁵. At other times restrictions of every kind would be swept away in obedience to the demand for complete freedom to ship "unto any place within the Company's privileges, at what time and in what measure and upon what shipping they shall think fit"⁶.

*Position of
the ambas-
sador.*

Abroad supervision was exercised through an ambassador and consuls. The former had a dual position. As the representative of the Crown he spoke in the sovereign's name and was empowered to issue ordinances, punish offenders, and "do all things requisite for the honest and orderly government of our subjects"⁷. As the paid agent of the Company, which also claimed the right of his appointment⁸, he safeguarded its interests, protected its members against injustice⁹, enforced the collection of dues and

¹ North, *The Lives of the Norths* (ed. Jessopp), ii. 37.

² Macpherson, *Annals of Commerce*, ii. 601.

³ For the factors, see *infra*, p. 345.

⁴ Epstein, *op. cit.* 95, 118, 127. A sole buyer of currants was sometimes appointed. For the common sailings, see Wood, *A History of the Levant Company*, 136-138, 210-212.

⁵ *House of Commons Journals*, xix. 88, 90-91 (1719).

⁶ Epstein, *op. cit.* 130-131 (1629).

⁷ Elizabeth's commission to Harborne (1582): Hakluyt, *The Principal Navigations* (ed. 1904), v. 221.

⁸ As Charles I. contested this right (cf. *State Papers Domestic*, Addenda, 1625-1649, p. 39), it was expressly vested in the Company by the Ordinance of 1644: *Acts and Ordinances of the Interregnum*, i. 395. After the Restoration the question was raised whether the Company could appoint an ambassador or 'present one to his majesty for his approbation': *Hist. MSS. Comm. Finch*, ii. 75-76, 152-153.

⁹ See *Hist. MSS. Comm. Finch*, i. 390-391.

visited penalties on interlopers¹. The ambiguity of a two-fold relationship proved a source of friction. The Government sent instructions which could not be carried out, since it made no provision for the purpose and the Company disowned the charges. "They think", it was said, "their commands can control his majesty's commission, and the orders that come out of their counting-house equal to those of the Privy Council"². Another grievance, as in the case of Sir Sackville Crow, was that the ambassador did not always content himself with his allowance, but on the plea of a royal grant seized into his hands revenues which the Company claimed as its property³. None the less the ambassador performed an indispensable function. The services of William Harborne, the first ambassador, had been instrumental in settling the trade in Turkey and securing the remission, 'for our nation only', of nearly half the customs at Constantinople⁴; and the Company itself acknowledged its indebtedness to another ambassador, the Earl of Winchelsea. "Seven years ago we talked of laying down our charter, to so low an ebb had some disorderly members of the Company brought the esteem of our woollen manufacture in Turkey. But . . . you have revived a dying trade"⁵. In addition to an ambassador the Company maintained consuls and vice-consuls. Harborne appointed consuls in Alexandria, Aleppo, Tripolis and Algiers among other places⁶, but the charter of 1605 vested the power of appointment in the Company⁷. The consuls had jurisdiction over English merchants, their factors and servants, and were themselves subject to the ambassador, though the Company's sanction was necessary

¹ *State Papers Domestic*, 1660-1661, p. 270.

² *Hist. MSS. Comm. Finch*, i. 379, 382 (1665).

³ *State Papers Domestic*, 1645-1647, p. 469. Crow was Charles I.'s nominee. For the Company's grievances against him, see *Subtily and Cruelty; or A True Relation of Sr Sackvile Crow* (? 1648).

⁴ The ordinary customs of 5 per cent. were reduced to 3 per cent.: *Hist. MSS. Comm. Salisbury*, xiii. 444; *Transactions of the Royal Historical Society*, 4th ser. v. 8, 13, 21-22.

⁵ This was written in 1666: *Hist. MSS. Comm. Finch*, i. 357.

⁶ *Transactions of the Royal Historical Society*, 4th ser. v. 9-10, 19.

⁷ Epstein, *op. cit.* 179.

for their dismissal¹. To defray the charges of the ambassador and his staff, and those of the consuls and vice-consuls, which involved an annual expenditure of ten thousand pounds², impositions were levied; and the Company's efforts to keep down expenses caused friction with its agents, who characterized its economy as 'preposterous frugality'³. These recurring charges, together with the cost of renewing the capitulations with the Porte and providing houses of business and residences for officials at Constantinople, Aleppo and Smyrna, furnished the Company with an argument for the retention of its privileges which it continued to reiterate for two centuries⁴.

*Nature of
the Levant
trade.*

The Company's sphere of trade, as we have seen⁵, was in the Mediterranean. From the sixteenth century onwards its exports consisted of cloth, tin, lead and other products: its imports comprised currants, wines of Candia, cotton wool and yarn, silk, spices and drugs⁶. Cloth was the staple article of export. In the second half of the seventeenth century the number of broad cloths transported annually averaged about 20,000, besides other woollen goods⁷; and the fact that cloth was exported dyed and dressed, and that raw materials for manufactures were imported, earned for the Levant traders the favour so conspicuously withheld from the Merchant Adventurers and the East India

¹ *State Papers Domestic*, 1660-1661, p. 270.

² *Ibid.* 1649-1650, p. 12; 1650, p. 72; 1694-1695, p. 98. For the amount of the ambassador's salary, see *ibid.* 1645-1647, p. 469; 1660-1661, p. 270. For his staff, see Wood, "The English Embassy at Constantinople, 1660-1762" in *The English Historical Review*, xl. 538 *seq.* On the general organization of the Company, see Wood, *A History of the Levant Company*, 205 *seq.*

³ *Hist. MSS. Comm. Finch*, i. 379 (1665).

⁴ *Ibid.* Salisbury, ii. 294 (1579). *House of Commons Journals*, xxiv. 391 (1744); xxxi. 96 (1767).

⁵ *Supra*, p. 338.

⁶ *Transactions of the Royal Historical Society*, 4th ser. v. 17. For the eighteenth century, see *The British Merchant* (ed. 1721), i. 24-25; Gee, *The Trade and Navigation of Great Britain* (ed. 1730), 9. Mohair is mentioned in *State Papers Domestic*, 1650, p. 72.

⁷ See the account from 1666 to 1706 in *House of Lords MSS.* 1706-1708, p. 251. Also *Acts and Ordinances of the Interregnum*, i. 395 (1644); *State Papers Domestic*, 1650, p. 72. Even in the 'dangerous times' of 1665, four ships carried 18,000 broad cloths: *Hist. MSS. Comm. Finch*, i. 361. The total exports were valued at £500,000 in 1681; Macpherson, *Annals of Commerce*, ii. 600. For the exports and imports from 1697 onwards, see Whitworth, *State of the Trade of Great Britain* (1776), part ii. 37-38.

Company¹. Yet in spite of Mun's claim that "the English have more advantage than any other nation" in the Levant trade, since we sent goods and not money to pay for the wares we bought—whereas "neither the Venetians, French nor Dutch do vent so much of their own country's commodities in those parts as do provide their necessary wants"²—the Levant Company did not preserve an unsullied record. When the Long Parliament prohibited for some years the importation of currants it was stated that, as they could not be bought 'without ready money', they diverted at least one hundred thousand pounds per annum from the kingdom³. In the early eighteenth century the Company was said to export annually seventy to eighty thousand pounds in silver for the purchase of silk⁴.

The trade overseas was in the hands of factors, and the success or failure of an enterprise largely depended upon their honesty and intelligence. The London merchants must often have suffered heavy losses from the negligence or incompetency of their representatives abroad. Roger North has described how his brother joined 'a celebrated house of factorage in Constantinople', which had large commissions from England. "When he came up [from Smyrna] he found the factory in great disorder. The estates of the principals, as well as of the house, trusted out in a loose way and the accounts unskilfully kept; whereby, as the nature of such business is, they had been carried on into multiplicity of errors upon errors; so that no one man's accounts in the books stood true"⁵. The factors were under temptation to engage in private trade, and they were apt to ruin themselves by borrowing money for this purpose; while the Company suffered financial embarrassment from their fraudulent practices, such as evading the payment of its

¹ Roberts, *The Treasure of Traffike* (1641), 34.

² Mun, *A Discourse of Trade from England unto the East Indies* (1621),

15.

³ 1642: *Acts and Ordinances of the Interregnum*, i. 25. Morea was excepted in 1644, and the restriction was suspended in 1644 for a year, and completely abolished in 1645: *ibid.* i. 375, 396-397, 630.

⁴ *House of Commons Journals*, xix. 88; xxi. 313. This was said in 1729 to have ceased.

⁵ North, *The Lives of the Norths* (ed. Jessopp), ii. 48.

impositions and charging upon it the debts of individuals¹. In 1661 the Company declared that it was "well nigh ruined by the factors, who have been so long their own masters and will not submit to honesty and reason"².

*Foreign
rivals.*

The conduct of its trade brought the Levant Company into collision with three groups of competitors: foreign merchants, rival English companies, and interlopers. The first group consisted of traders of other nationalities—Venetian, French and Dutch. "The trade into Turkey", wrote Harborne, "is had in great price with all nations"³; and their economic rivalry furnished opportunities which initiated the Porte in the useful art of playing off one country against another. At first the Venetians had the trade of the Levant largely in their own hands; and "they, wisely foreseeing the common harm which this English intercourse should infer, joined their wills, wits and wealth with the French his courage and countenance to withstand the same"⁴. Subsequently the Dutch and the French rose to prominence. Dutch rivalry in the Levant made itself felt early in the seventeenth century when their 'cheap sailing in great ships' enabled them to capture freights from English shippers⁵; but the opinion of Roger Coke, writing after the Restoration, was that England had "maintained a better and more valuable trade to Turkey than the Dutch"⁶. By the middle of the seventeenth century the Levant Company claimed that we had "become so considerable abroad as to be preferred before other nations". Holland was furnished with Turkish commodities from England, the Dutch "having been several times beaten out of the trade and forced to put themselves under the protection of the English": while the French—"for want of government and directions from home, and consequently by ill-management of their trade abroad, everyone regarding his own particular interest only and not being accountable to a body at home"—had "run

¹ *State Papers Domestic*, 1649-1650, pp. 89-91; 1660-1661, p. 591.

² *Ibid.* 1660-1661, p. 591. See *infra*, Appendix, p. 499, No. 3.

³ *Transactions of the Royal Historical Society*, 4th ser. v. 19.

⁴ *Ibid.* 20.

⁵ *Acts of the Privy Council*, 1615-1616, p. 98. *State Papers Domestic*, Addenda, 1580-1625, p. 548; 1649-1650, p. 12.

⁶ Coke, *Treatise* (1671), ii. 120.

themselves into great debt and dare not trust any of their estate on shore in Turkey" ¹. The Company attributed the misfortunes of its rivals to 'want of government', but shortly afterwards it painted a different picture when it complained that "our nation has been ousted of the Turkey trade". The French were now said (1653) to "drive a great trade for Turkey, having twenty sail trading thither from Marseilles, whereof more than half are worth £50,000 each" ²; and Dutch encroachments, it was added in 1661, "eat the Company out of the trade" which they were intriguing to engross entirely by their offers to the Sultan ³. French competition was especially severe in the eighteenth century. The growth of a native woollen manufacture enabled France to compete with England in the export of cloth to Turkey; and the returns were made in raw silk, which was carried to Leghorn and imported thence into Great Britain in English shipping, until it was prohibited in 1720 ⁴. The rivalry between European traders was controlled on occasion by price agreements, of which an interesting example is given in a consul's letter to the ambassador in 1663: "To prevent the extravagant price given for 'galls', I last January made an agreement with the French nation that too many buyers might not appear together and bid one upon another", and that when the English factors bought 'galls' they should offer the French a third part, and vice versa. "But now one of our factory refuses to observe it, though the whole nation desire its continuance. I could not prevail with Mr. Sherman in a friendly way and so committed him to custody, but he has now by my order gone to the French consul, acknowledged his error, and delivered to them a third of the 'galls' which he had bought, after which I released him. The French nation were so sensible of the justice done them that the next day the consul wrote to thank me and remitted his third part" ⁵.

¹ *State Papers Domestic*, 1650, p. 72.

² *Ibid.* 1653-1654, pp. 130, 148, 157.

³ *Ibid.* 1660-1661, p. 591; *Hist. MSS. Comm. Finch*, i. 304 (Propositions to the Sultan, 1664).

⁴ *Statutes at Large*, v. 193-194; *House of Commons Journals*, xix. 269, 271, 275, 281, 316, 320-322.

⁵ *Hist. MSS. Comm. Finch*, i. 285. Galls were used in dyeing.

*Rivalry of
the East
India
Company.*

The Levant Company was also exposed to the competition of chartered companies whose spheres of trade overlapped its own. At first there was a close connexion between the Levant and other companies in respect of membership, since the profits made in one branch of commerce helped to provide the capital for trading ventures elsewhere. The Levant Company drew its original members, in part at any rate, from the Russia and Eastland Companies¹, and in its turn supplied the nucleus for the formation of the East India Company, while its governors also occupied similar office in other companies². Nevertheless the divergence of interests made itself felt almost immediately. As early as 1605 complaint was made of the 'diminution of the trade of Turkey', which was attributed to the importation of spices and silk by the East India Company³, and throughout the reign of James I. the grievance was ventilated⁴ though Mun denied that it had any justification⁵. The conflict culminated in the last quarter of the seventeenth century when the Levant Company made a vigorous onslaught upon the East India Company, appealing for public support on the ground that it exported cloth, and condemning the rival organization not only for its export of bullion but as the worst kind of monopoly—a joint stock which did not train up a merchant class⁶. The Levant Company won a pyrrhic victory, because the obligation imposed upon its rival to export native products served only to intensify the competition between them in the Persian markets, India being unable to absorb any large quantity of cloth. A factor in the Levant trade wrote home from Aleppo in 1696 that "the East India Company are sending so much cloth to Persia that they will quickly ruin the trade of this place and oblige us all to return home". He added: "The Turkey Company may thank themselves, who—not content to enjoy the trade themselves—com-

¹ *State Papers Domestic*, 1591–1594, p. 58.

² *Supra*, p. 273.

³ The charter of 1605, in Epstein, *op. cit.* 156.

⁴ Kayll, *The Trades Increase* (1615), 6: *State Papers Domestic*, Adenda, 1580–1625, p. 599 (1618).

⁵ Mun, *A Discourse of Trade from England unto the East Indies* (1621), 40.

⁶ *Supra*, p. 286.

plained that the East India Company carried out no cloth and thereby gave themselves a mortal blow never to be recovered. For now they do it with that success, that they supply Persia which was wont to be done from Smyrna and this place". A subsequent letter (1698) stated that "the Turkey trade is reduced to a low ebb, and there is as little to be got by factors abroad as by our friends at home"¹. The question was referred to the Commissioners for Trade and Plantations, who recommended (1700) that the East India Company should not send more cloth to Persia than it had formerly done², but in 1715 they reported that "the trade to Turkey has ever since lain under the same difficulty"³.

In the middle of the eighteenth century another conflict arose which served to illustrate afresh the jealousies bred by commercial restraints. The Russia Company petitioned for the right to import from Russia raw silk grown in Persia⁴. A proposal for 'driving the trade of Persian silk by way of Muscovy' had been canvassed in the reign of Charles II., but the objection was then raised that it would ruin the English trade in the Mediterranean. The Levant Company now sent such great store of commodities to Turkey that it was actually at a loss 'to make investments for the return of the proceeds', and Persian silk was 'one of the chiefest'. Why, it was asked, should we lessen our trade in Turkey, where we are like to turn the Dutch out, in order to enter upon a trade in Russia where they are very likely to drive us out?⁵ When the proposal was revived the Levant merchants repeated the contention that it was detrimental to the Mediterranean trade. The balance of trade, it was alleged, was already considerably in favour of Russia and would be increased, because no greater quantity of our manufactures could be consumed in Russia than was at present exported; and "though the Russia Company should bind themselves to import no silk which was not purchased with the manufactures of Great Britain, it would

*Rivalry of
the Russia
Company.*

¹ *Hist. MSS. Comm. Portland*, ii. 246-247.

² *House of Commons Journals*, xiii. 299.

³ *Ibid.* xviii. 677.

⁴ *Ibid.* xxv. 1061 (1750).

⁵ *Hist. MSS. Comm. Finch*, ii. 165-166.

not avail because hemp and all other Russian commodities would then be paid for by bullion"¹. These arguments failed to convince the legislature. In 1741 the Russia Company was allowed to import silk through Russia provided it was bought in Persia with English goods. Some years later (1750), when direct intercourse with Persia was interrupted, the Company was permitted to buy Persian silk in Russia, without any stipulation that English goods must be carried into Persia to pay for the silk².

*Rivalry of
the inter-
lopers.*

The Levant Company's charters of 1592 and 1605, reinforced by an Ordinance of Parliament in 1644³, placed it in the exceptional position that it was protected in its home trade from the competition of foreigners and natives alike. The former were forbidden to import the products of the Levant into England: the latter, unless admitted to the freedom of the Company, were debarred both from the outward and the inward trade of the eastern Mediterranean⁴. But the ban upon the activities of the interloper, although fortified by the penalty of an extra 20 per cent. duty upon his goods⁵, failed to deter the free trader; and the Commonwealth gave him his opportunity to invade the Company's privileges. "We have been exceedingly abused", the consul at Smyrna was told in 1650, "by interlopers who upon every ship find means to send thither great quantities of goods, which are received and coloured by factors there"⁶; and they also brought over commodities of the Levant from the Netherlands⁷. In other respects the Commonwealth was a difficult period for the Company. It lost 'twenty great ships taken of late years (1650) by the French fleet in the Straits', of which eight

¹ *House of Commons Journals*, xxv. 1087, 1102-1104; *House of Lords Journals*, xxvii. 452.

² *Statutes at Large*, vi. 162, 507.

³ *Acts and Ordinances of the Interregnum*, i. 395-396 (1644); and *supra*, pp. 338, 340.

⁴ *Supra*, pp. 338, 340. See also *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1160 (1615); *State Papers Domestic*, 1649-1650, pp. 11-12. Bristol merchants were allowed to import yearly 200 tons of currants (1618): Latimer, *Merchant Venturers of Bristol*, 138-140; *State Papers Domestic*, 1668-1669, p. 599.

⁵ *State Papers Domestic*, 1660-1661, p. 270.

⁶ *Ibid.* 1650, p. 460.

⁷ *Ibid.* 1649-1650, p. 12.

with their cargoes were valued at £300,000¹; its factors abroad were out of hand²; it was called upon by the Council of State to justify the existence of its monopoly in the face of the demand for an open trade³; and at one time it contemplated the recall of its ambassador and even the surrender of its charter⁴. After the Restoration the Company's privileges were confirmed by Charles II.⁵, and when the Act of 1689 established 'a general liberty for exportation of woollen manufactures'⁶ the Levant Company was among those exempted from its operation. None the less the House of Commons condemned a by-law made by the Company a few years later (1694) that "none ought to be looked upon or esteemed as mere merchants, but such only as have been so educated from the beginning; or who, having been of another trade, have forborne the same and followed the trade of a merchant only for seven years"⁷. That a principle which constituted the traditional basis of a regulated company should be denounced by the legislature as prejudicial, indicated a remarkable change of opinion in the direction of economic freedom.

At intervals in the eighteenth century the Levant Com-
 pany had to defend its position against hostile critics, of
 whom the most persistent, though not the most united⁸,
 were the clothiers. The latter were under the necessity
 of sending their cloth to London for the Company to make
 its purchases, but the carriage cost as much as the freight
 from Bristol to Turkey⁹, and this addition to the price of
 the cloth increased the difficulties of competing with other
 countries for the Turkish market. Numerous petitions
 poured in on Parliament¹⁰, representing both the injurious
 effects of the Company's monopoly on industry and the

*Later his-
 tory of the
 Company.*

¹ *State Papers Domestic*, 1649-1650, pp. 11-12; 1650, p. 72.

² *Supra*, p. 346.

³ *State Papers Domestic*, 1650, p. 71; 1651-1652, p. 271.

⁴ *Ibid.* 1653-1654, p. 148; and *supra*, p. 343.

⁵ *Supra*, p. 341.

⁶ *Supra*, p. 266.

⁷ *House of Commons Journals*, xi. 185.

⁸ The Gloucestershire clothiers supported the Company: *ibid.* xx. 818; xxi. 313. *House of Lords Journals*, xxvi. 385.

⁹ Coke, *Treatise* (1675), iii. 34; *State Papers Domestic*, 1668-1669, p. 599.

¹⁰ *House of Commons Journals*, xvi. 114 (1709); xix. 88 (1719); xxi. 140 (1729); xxiv. 570 (1744); xxvi. 588-678 *passim* (1753).

opportunity afforded to foreign competitors of supplanting this kingdom in the Levant trade. It was also urged that "the large profit which an exclusive company generally insists on for their goods, though an advantage to the company, is a great national loss"—alike to the woollen manufacturers whose market abroad was contracted, and to the silk manufacturers whose raw material was enhanced in price¹. The agitation against the Company was successful, not in throwing open the trade, but in relaxing the conditions of membership: under the Act of 1754 the obligation to be a 'mere merchant' and a freeman of London was abolished, and the admission fine was fixed at twenty pounds². The Company survived into the nineteenth century and its charter was not surrendered until 1825³.

(vi)

THE AFRICAN COMPANY

*Trade with
Africa.*

The connexion between England and Africa was already in evidence in the Middle Ages. In 1415, according to Walsingham, the King of Portugal captured Ceuta in North Africa 'principally with the aid of English merchants'⁴; and in 1481 a Portuguese embassy was sent to England in order to stop the preparations for an English expedition to Guinea⁵. The sixteenth century witnessed a series of attempts to open up trade with Africa. William Hawkins, the father of Sir John Hawkins, made a voyage to Guinea in 1530⁶. Next came two trading voyages to Barbary in 1551 and 1552⁷, followed in 1553 by another voyage to Guinea which was financed by London capitalists⁸. For a time the expeditions to Guinea, which were in the nature of separate joint-stock ventures, grew frequent⁹, and Queen Elizabeth

¹ *House of Commons Journals*, xxvi. 601, 666.

² *Statutes at Large*, vii. 24. Also *supra*, p. 341. Members were also entitled to trade to any place in the Company's sphere.

³ Cawston and Keane, *The Early Chartered Companies*, 85; Wood, *A History of the Levant Company*, 198 *seq.*

⁴ Hakluyt, *The Principal Navigations* (ed. 1904), vi. 121.

⁵ *Ibid.* vi. 123.

⁶ *The Hawkins' Voyages* (Hakluyt Society Publications), 3.

⁷ Hakluyt, *The Principal Navigations* (ed. 1904), vi. 136, 138.

⁸ *Ibid.* vi. 141.

⁹ *Ibid.* vi. 154 (1554); 177 (1555); 212 (1556); 231 (1557).

herself participated in them¹. They encountered the opposition of the Portuguese who were already entrenched on the African coast, and—the chronicler of these voyages scornfully remarks—“think to be lords of half the world, envying that others should enjoy the commodities which they themselves cannot wholly possess”². The English traders were welcomed at first by the natives as protectors against the Portuguese; and the narrative of one voyage relates that “the negroes here told us that . . . the Portuguese did much harm to their country and that they lived in fear of them, and we told them again that we would defend them from the Portuguese whereof they were very glad”³. But this friendly attitude was changed after 1562 when John Hawkins, being “assured that negroes were very good merchandise in Hispaniola, and that store of negroes might easily be had upon the coast of Guinea”, organized on a joint-stock basis a slave-raiding expedition in which he obtained, ‘partly by the sword and partly by other means’, three hundred negroes ‘at the least’⁴. His act marked the extension of the slave trade in which the worst human passions found fruitful soil, and it turned the goodwill of the natives into fear and hatred⁵. Their hostility discouraged the purely trading enterprises⁶, and no serious effort to resume intercourse was made until 1588, when Elizabeth granted a small group of merchants in London and Devon the sole right of trade on the Rivers Senegal and Gambia in Guinea and along the coast between them for ten years⁷. This, however, was not the first African Company, for three years before the Queen had issued a similar patent conferring exclusive privileges for twelve years upon a group of Barbary merchants with whom were associated the Earls of Leicester and Warwick⁸. The Barbary Company aroused much opposition among those excluded from its ranks—one

¹ Hakluyt, *The Principal Navigations* (ed. 1904), vi. 262. ² *Ibid.* vi. 141.

³ *Ibid.* vi. 218. ⁴ *Ibid.* x. 7-8. ⁵ *Ibid.* vi. 244-245; x. 22, 64.

⁶ Hakluyt records voyages in 1563 and 1566: *ibid.* vi. 258, 266.

⁷ *Ibid.* vi. 443. The patent was renewed in 1598: *State Papers Domestic*, 1598-1601, p. 16.

⁸ Hakluyt, *The Principal Navigations* (ed. 1904), vi. 419. A monopoly had been sought in 1574: *Tudor Economic Documents* (ed. Tawney and Power), li. 48, 58, 64.

Barbary merchant was shut out because he was also engaged in retail trade¹; and it proved short-lived. In the next decade complaints revived of 'disordered trading', in which the price of sugar was advanced and that of cloth depressed by the competition of the merchants, who appeared to be no longer 'incorporated in a lawful society'². Outside the regions covered by the grants of 1585 and 1588 trade could still be carried on by English subjects.

*The
African
Com-
panies.*

In the next reign another West African Company was erected (1618) for Guinea and Benin on a joint-stock basis. Its limits were much wider than those of its predecessor in the Senegal and Gambia district: they now embraced the whole African coast as far as it was known, south of the sphere of the Barbary merchants³. This new company was soon attacked by interlopers and manufacturers—by the former because their ships were seized, by the latter because the price of dyeing materials was raised four to sixfold⁴; and in 1624 its patent was condemned by Parliament on the ground that its members had no title to their privileges, since they were not 'the first discoverers' of the trade⁵. Charles I. set up another company in 1631 under the control of Nicholas Crisp and others. Assailed by the Dutch and by independent traders it dragged out a precarious existence for the term of its patent, thirty-one years⁶, the African forts being maintained for a time by the East India Company⁷; and at the Restoration it yielded place to its successor—'The Company of the Royal Adventurers into Africa'⁸. Heavy losses at the hands of the Dutch, the

¹ His petition is printed in *Tudor Economic Documents* (ed. Tawney and Power), ii. 64-65.

² *State Papers Domestic*, 1591-1594, p. 59; *Acts of the Privy Council*, 1599-1600, p. 687. An attempt to re-establish a company was made under Charles I.: *Hist. MSS. Comm. Cowper*, ii. 297.

³ The charter is printed in Carr, *Select Charters of Trading Companies*, 99. See also Scott, *Joint-Stock Companies*, ii. 12.

⁴ Gums rose from 22s. to £7; redwood from 16s. to £3: *House of Commons Journals*, i. 710.

⁵ *Ibid.*

⁶ *State Papers Domestic*, 1631-1633, p. 186; *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1641. It was partially confirmed in 1651: *State Papers Colonial*, 1574-1660, p. 355; Davenant, *Works* (ed. 1771), v. 85.

⁷ *House of Commons Journals*, x. 483-484.

⁸ When reconstituted in 1663 it was called 'The Company of Royal Adventurers of England trading into Africa'. The charters of 1660 and [contd.]

failure of members, among whom was included the King, to pay the full amount of their subscriptions, and the difficulty of securing payment for the negroes supplied to Barbados, ruined the credit of the Royal Adventurers; and unable to trade on their own account they granted licences to private traders, so that they practically became a regulated company¹. In 1672 they surrendered their charter to the Royal African Company of England, which received the exclusive right of trading on the west coast of Africa from Sallee to the Cape of Good Hope². The Royal African Company, in common with other chartered companies, encountered the most determined opposition on the part of the independent traders, and eventually, as we shall see³, it succumbed to their attacks.

The prominence assumed by the African trade after the Restoration was due to its changed character. Formerly *The slave trade.* it supplied England with gold⁴, ivory and dyeing materials (redwood); now it also furnished the West Indies with slave labour for the sugar plantations, and it was asserted in 1750 that "the very existence and preservation of the sugar colonies depend upon the British trade to Africa"⁵. This change meant that the economic aspect of the trade could not be isolated: its political bearings had also to be considered. On imperial grounds the interests of the planters could not be ignored—they clamoured for cheap labour and there was perpetual friction with the Company over the price of negroes⁶; yet the rivalry of the Dutch who had replaced the Portuguese made necessary the establishment

1663 are printed in Carr, *Select Charters of Trading Companies*, 172, 177; *State Papers America and W. Indies*, 1661-1668, p. 120.

¹ *State Papers Domestic*, 1668-1669, p. 459. See also *ibid.* 1664-1665, pp. 159-160; 1665-1666, p. 136; *House of Commons Journals*, x, 484.

² *State Papers Domestic*, 1672-1673, p. 295; Carr, *Select Charters of Trading Companies*, 186; *Tudor and Stuart Proclamations* (ed. Steele), i. No. 3604.

³ *Infra*, p. 357.

⁴ The Company stated in 1665 that the trade brought in "£200,000 or £300,000 yearly of gold to the Mint": *State Papers Domestic*, 1664-1665, p. 160.

⁵ *House of Commons Journals*, xxv. 1003.

⁶ Barbados complained in 1675 that the Company had raised the price from £16 to £20 and £22: *State Papers America and W. Indies*, 1675-1676, p. 304.

Controversy over
the Royal
African
Company.

of forts¹, which raised the question whether the trade could be safely organized on any basis other than an exclusive joint stock. A committee of the House of Commons was appointed in 1690 to examine the merits of the controversy². The Company stated in its evidence that it had eight forts which involved an annual expenditure of nineteen to twenty thousand pounds: without these forts trade could not be carried on, nor could they be maintained except by a joint stock. On the other side it was observed that the distance between the northern limit of the Company's territory and its first fort was 1000 miles, and between the remotest fort and the southern limit (the Cape of Good Hope) 2400 miles. The intervening area where the forts were situated comprised 1150 miles. In this vast region no Englishman could trade except with the Company's licence, for which he was required to pay as much as 40 per cent. of the value of his cargo. The forts were described as weak, the strongest being incapable of resisting two hundred Europeans equipped with cannon. Their main use was to serve as warehouses and as fixed markets, where the inhabitants from the interior could bring their gold and elephants' teeth. But the English interlopers and other nations carried on their trade just as well—and more safely—on board their ships, the natives coming out to them in small boats, which the forts could not prevent³. As the sole buyer of woollen and other goods for export to West Africa the Company could set its own price; it also enjoyed a free hand as the sole seller. The cost of negroes rose 100 per cent.⁴; ivory teeth fetched double their usual rates, so that the Sheffield cutlers were losing their trade to the Dutch "who formerly bought great quantities of knives hafted in ivory"⁵; dyeing materials

¹ A proposal for forts was mooted in 1561: Hakluyt, *The Principal Navigations* (ed. 1904), vi. 253.

² *House of Commons Journals*, x. 483. For petitions against the Company in 1690-1696, see *ibid.* x. 382, 449, 459; xi. 96, 618, 639.

³ *Ibid.* x. 483.

⁴ The price rose, it was said, to £40 (instead of about £20); and the Company took bonds from the planters, "executing their securities upon non-payment by seizing the plantations with the utmost rigour": Davenant, *Works* (ed. 1771), ii. 38.

⁵ *House of Commons Journals*, x. 459.

were sold by private contract to three or four individuals who raised the price threefold¹.

Upon hearing the representations of both parties, the parliamentary committee came to the decision that the trade should be conducted by a regulated company armed with power to impose a duty on exports to provide a fund for the maintenance of the forts²; but in subsequent years other committees resolved that the trade was best carried on in a joint stock³. The Company's efforts to secure parliamentary confirmation of its charter produced another crop of petitions in 1698 when Maryland and Virginia planters, London dyers and Bristol manufacturers joined in a chorus of dissent⁴. Eventually the Act of 1698⁵, after declaring that forts were 'undoubtedly necessary for the preservation and well carrying on the trade', laid down that the Company should 'maintain, support and defend' the forts, and supply them with men, artillery and provisions; that any subject might trade to Africa paying a duty of 10 per cent. on goods exported and imported⁶; that the duties were to be appropriated wholly to the maintenance of the forts; and that subjects trading to Africa and paying the duties should have the same protection as the Company enjoyed.

A decade later the Company sought to regain the exclusive privileges it had formerly enjoyed. It alleged that the expedient of admitting into the African trade anyone, who paid a duty of 10 per cent. on his goods towards defraying the charges of the forts, had not 'answered its ends': its effect was to advance the price of negroes and to beat down the price of British manufactures owing to competition among English traders, whose divided interests were turned to good account by the natives⁷. Davenant

¹ *House of Commons Journals*, xi. 281. The Commons resolved (1695) that the Company should sell redwood at public sales in small lots: *ibid.* xi. 302. See also *Britannia Languens* (1680), 131 (in sect. vi.).

² *House of Commons Journals*, x. 484 (1690).

³ *Ibid.* xi. 115 (1694), 498 (1696).

⁴ *Ibid.* xii. 120, 133. The Company was supported by some of the merchants trading to the sugar plantations: *ibid.* xii. 166.

⁵ *Statutes*, vii. 393 seq.

⁶ Nothing was imposed on gold, silver, and negroes: and 5 per cent. on redwood.

⁷ *House of Commons Journals*, xvi. 64. The propositions of the Company and the separate traders are printed in *ibid.* xvi. 275-276, 319.

was employed to demonstrate the 'absolute necessity' for a joint stock, although in 1698 he had written: "Experience has taught us that this trade has not been governed with good success by a company with a joint stock"¹. His arguments were familiar ones—the impossibility of maintaining forts with the contributions of 'precarious traders'; the practice of other nations in trading to Africa on a joint-stock basis; and the claim that a joint-stock company was more comprehensive than a regulated company in admitting all ranks to membership². The Company's application raised a storm of protest. The independent traders declared that the trade to Africa had been greatly enlarged and improved since it was laid open: the shipwrights claimed that more ships had been built, repaired and fitted out: the woollen manufacturers asserted that more cloth had been vended: and the gun-makers, cutlers and other Birmingham makers affirmed that "manufactures of wrought iron, of all sorts, have been made and exported . . . in greater quantities than was ever known before"³. As in the case of other chartered companies the struggle over 'free trade' developed into a trial of strength between the metropolis and the outports⁴. The western ports hastened to point out that they were debarred by their situation from the trade to the Continent or to East India 'carried on by the Londoners', and if the Company's monopoly were re-established they would be 'also excluded the African trade'⁵. At the same time a statement was exhibited showing the great disparity between the Company's trade and that of the 'separate traders'⁶.

¹ Davenant, *Works* (ed. 1771), li. 38; v. 130 seq.

² *Ibid.* v. 129, 144, 154-155.

³ *House of Commons Journals*, xv. 602, 625, 631; xvi. 71, 75, 77, 83, 102, 549, 550. Some shipwrights and woollen manufacturers supported the Company: *ibid.* xvi. 83, 86, 551.

⁴ Some London merchants favoured a regulated company: *ibid.* xi. 622 (1696); xxv. 977 (1750). ⁵ *Ibid.* xvii. 298. Also *ibid.* xvi. 551.

⁶ In 1710 the Company sent out 3 ships with cargoes valued at £3944; and private traders 44 ships (25 from London, 18 from Bristol, and 1 from Liverpool) with cargoes of £50,000: *ibid.* xvi. 552. Davenant denied that the outports carried on a greater trade: *Works* (ed. 1771), v. 99, 150. According to Gee, private adventurers traded for 30,000 negroes yearly, and the Company never above 6000: *The Trade and Navigation of Great Britain* (ed. 1730), 26.

In the middle of the eighteenth century the Royal African Company returned to the attack. A petition of London merchants (1748) represented that the trade to Africa from the port of London was declining, and could not be preserved against powerful competition without the provision of forts by a joint-stock company¹. This contention was interpreted as an attempt on the part of the West Indian planters in London to deprive the outports of their liberty of trading to the African coast²; and the challenge was at once taken up. Liverpool, which now claimed a principal share in the trade, asserted that "it is so far from being in any danger of being lost that British subjects never made so near an approach to a total engrossing of it as they now do. The Dutch have not the number of ships on the coast they formerly had; the Portuguese appear seldom; and the French, our most dangerous rivals in trade, are quite drove out of it"³. Manchester made an early appearance as the protagonist of free trade with its declaration that all commercial monopolies were 'unnatural and unreasonable things', and "by repeated experience they are found to be attended with bad consequences to the trade of this kingdom in general by hindering both its improvement and extension"⁴. A number of proposals were put forward. The merchants who traded with the sugar plantations urged that the maintenance of the forts should be entrusted to a joint-stock company, but that the trade should be open to all. The outports recommended that two or three men-of-war should be stationed on the coast; yet if forts were considered necessary they should be taken over by the Government and supported at the national expense, or placed in the hands of a regulated company⁵. The last proposal was given effect in the Act of 1750. It incorporated the African traders in a regulated company which was expressly forbidden to trade in a

¹ *House of Commons Journals*, xxv. 563.

² *Ibid.* xxv. 984.

³ *Ibid.* xxv. 597, 978. Also pp. 604 (Bristol), 993, 1005.

⁴ *Ibid.* xxv. 984.

⁵ *Ibid.* xxv. 597, 978, 1003. See also *Hist. MSS. Comm. Exeter*, 241-242; *ibid. Egmont (Diary)*, i. 51-52.

corporate capacity: it fixed the admission fine at forty shillings: and it handed over all the forts, settlements and factories in the possession of the Royal African Company to its successor¹. In 1765 the forts on part of the African coast were taken over by the Crown, but they were restored to the Company eighteen years later². The Company was dissolved by Act of Parliament in 1821³.

(VII)

THE HUDSON'S BAY COMPANY

*Antecedents
of the
Hudson's
Bay
Company.*

The Hudson's Bay Company had its antecedents in the attempts made to discover a North-West passage, in the same way as the Russia Company sprang from a voyage of discovery to the North-East. A succession of adventurous seamen—the Cabots, Frobisher, Davis, Hudson and Baffin⁴—awakened the interest of Englishmen in the vast continent which lay on the other side of the Atlantic. In North America the French were assigned the rôle of the Venetians in the Mediterranean, and of the Portuguese and the Dutch in the East Indies, in stimulating the enterprise of English capitalists. A 'Company of Adventurers to Canada' was formed in 1627⁵ in order to wrest the Canadian fur trade from a French company, but the latter proved too strongly entrenched. After the Restoration the interest of Prince Rupert was enlisted by two French fur-traders, Groseilliers and Radisson⁶, and the success of an expedition sent out to Hudson's Bay in 1668 led two years later to the formation of the Hudson's Bay Company under a charter which

¹ *Statutes at Large*, vi. 497-498.

² *Ibid.* vii. 539 (1765); ix. 326 (1783). The proposal that the forts should be supported by the nation had been made in 1690: Thomas, *An Historical Account of the West India Colonies* (1690) in *Harleian Miscellany* (ed. Malham), ix. 435. For an account of the forts 1750-1785, see Martin, "The English Establishments on the Gold Coast in the Second Half of the Eighteenth Century", in *Transactions of the Royal Historical Society*, 4th ser. v. 167 seq.

³ *Statutes of the United Kingdom*, viii. 322.

⁴ *Narratives of Voyages towards the North-West* (Hakluyt Society Publications).

⁵ For this company, see Scott, *Joint-Stock Companies*, ii. 320-322.

⁶ Willson, *The Great Company*, i. chapter iii.

conceded 'the sole trade and commerce' of all the Hudson's Bay territories not already possessed 'by the subjects of any other Christian Prince or State'¹. The company was organized as a joint stock, and included among its members Prince Rupert, who was its first governor.

The early history of the Hudson's Bay Company is mainly the record of a struggle for existence against the French, who repeatedly seized possession of the forts which it had built². The French menace enabled the Company at the Revolution to obtain confirmation of its privileges in the Act of 1690³, despite the protest that the Company comprised only "a small number of men with an inconsiderable stock, and no ways serviceable to the nation", and that its monopoly, if established by Parliament, would "deprive the colonies of the whole trade of furs"⁴. In the middle of the next century a storm of controversy broke out over the Company, and its activities were made the subject of a searching inquiry by a parliamentary committee⁵. The demand for an open trade was based on the arguments that exclusive companies were prejudicial to commerce; that the vast country around Hudson's Bay, claimed by the Company as its property, would be much 'improved' if the trade were laid open; and that the protectionist policy of European countries made it necessary to extend our trade and navigation in the Empire. In particular it was represented that the Company did not push the trade⁶: its agents made no serious attempt to penetrate into the interior, and the Indians were incapable of transporting furs vast distances in their small craft. "The Indians cannot carry large quantities . . . because their canoes, deeply laden, are not able to withstand the waves and

*The case
against the
Hudson's
Bay
Company.*

¹ The charter is printed in Willson, *The Great Company*, ii. 318.

² *Ibid.* i. 182, 248; Postlethwayt, *Dictionary of Trade and Commerce*, s.v. Hudson's Bay Company.

³ *Statutes*, vi. 179. The parliamentary confirmation was only for seven years: Macpherson, *Annals of Commerce*, iii. 271.

⁴ *House of Lords MSS.* 1690-1691, p. 73.

⁵ 1749: *Reports from Committees of the House of Commons*, ii. 215 seq.; *House of Commons Journals*, xxv. 824, 850.

⁶ Willson, *The Great Company*, i. 218. "In 1676 the value of the merchandises exported did not exceed £650. The value of the furs imported was close upon £19,000": *ibid.* i. 215. For the profits in 1748: *ibid.* ii. 8-9.

storms they may meet with upon the Lakes", and "because also they are obliged to hunt, as they travel, for their daily sustenance"¹. The remedy was to open up the interior by building settlements and magazines, but the Company was said to discourage this policy². Moreover, there was no justification for any exclusive privileges. Forts were not needed since the natives were 'an inoffensive people and willing to trade'; and the Company had "never fulfilled the principal condition of their obtaining so extensive a grant, viz. . . . to find out a North-West passage and to settle colonies, as in other parts of the continent of America"³.

Its defence. The Company endeavoured to reply to the case built up against it, as well as it could. It declared that it had made 'fruitless and expensive attempts' to discover a passage into the South Seas, and that it had not established a colony because the country was not "inviting enough to encourage any persons to go and remain there without being paid for so doing"⁴. It answered the criticism that it did not push the trade by asserting that "no more goods can be got, for the Indians who kill the beasts are not industrious but only do it for subsistence and absolute necessities; and they will not make a toil of a pleasure for any consideration"⁵. This argument obviously failed to meet the contention that the Indian's "necessities and desires would increase in proportion to his property", and that his 'real necessities' would be supplemented, as in civilized communities, by 'imaginary wants'⁶. Nevertheless the Company survived the attacks made upon it, and—alone among the ancient companies—carries on to this day an extensive trade⁷.

¹ Tucker, *An Essay on Trade* (1753), 78. "A good hunter among the Indians can kill 600 beavers in a season, and can carry down but 100": Postlethwayt, *Dictionary of Trade and Commerce*, s.v. Hudson's Bay Company.

² Tucker, *An Essay on Trade* (1753), 75, 78.

³ *House of Commons Journals*, xxv. 850.

⁴ *Ibid.* xxv. 851-852. An expedition to discover a passage to the Pacific was sent out in 1761: Macpherson, *Annals of Commerce*, iii. 362.

⁵ *Reports from Committees of the House of Commons*, ii. 230.

⁶ *Ibid.* ii. 233.

⁷ Bryce, *History of the Hudson's Bay Company*, 469 seq. The Company surrendered its exclusive rights of trade in 1869: Willson, *The Great Company*, ii. 293-294.

(VIII)

THE FRENCH COMPANY

The 'mere merchants trading to France' had sought incorporation in the reign of Elizabeth, "to guard against the injuries done to the trade by the retailers encroaching upon the merchants"¹. It was alleged that London vintners, 'repairing untimely' to Bordeaux and La Rochelle for wine, hastened its making 'before the grape can come to his ripeness'², so that there appeared some justification for the control of the wine trade—at least as regards fixing the season for buying. In addition the French Government passed a decree confiscating English cloth 'supposed to be evil-wrought or stretched on the tenter'³: on one occasion fifty thousand pounds' worth of cloth was seized, and restitution was only obtained when the English Government intervened⁴. Accordingly some form of corporate action seemed required in order that the cost of protecting the interests of the merchants might be a common charge. An Act of Parliament in 1606 declared that all subjects were free to trade with France⁵, but in 1611 the French merchants were incorporated under the name of 'Governor and Company of Merchants of London trading into France and the Dominions thereof'.

The merchants in the West of England organized a joint attack upon the new company, whose charter conferred upon it the monopoly of the trade to France⁶. While they did not ask "to leave the trade loose, but that a government be still continued", they complained that the trade was managed in the interests of the London merchants without regard to the conditions affecting the western ports⁷. Protests were also made in the House of Commons⁸. "Free trade", said

¹ *State Papers Domestic*, 1547-1580, pp. 490 (1574 ?), 619 (1579).

² *Acts of the Privy Council*, 1580-1581, p. 83.

³ 1600: *ibid.* 1599-1600, p. 490.

⁴ *Ibid.* 1613-1614, p. 248.

⁵ *Statutes*, iv. part ii. 1083.

⁶ The charter is printed in Carr, *Select Charters of Trading Companies*, 62 seq.

⁷ *Acts of the Privy Council*, 1613-1614, pp. 172, 206, 247-248; *Hist. MSS. Comm. Westmorland*, 541 (1620); *ibid. Exeter*, 41, note.

⁸ *House of Commons Journals*, i. 469 (1614), 595 (1621).

one member, "is every man's inheritance and birthright". Yet the enemies of the companies were not animated by abstract principles: it was not the idea of monopoly to which they objected, but a monopoly in which they did not participate. A proposal of the Exeter merchants, who played a leading part in the attack on the companies, is a useful reminder that exemplary sentiments could be employed to mask an objective of a very different nature. In 1633 they approached London with the suggestion that the two cities should divide between them the control of the French trade, the merchants of the North and East being subjected to London, and those of the West to Exeter¹. The French Company was still in existence in the middle of the seventeenth century², though efforts to revive it at the Restoration were unsuccessful³. Yet one branch of the wine trade came for a brief period under the control of a company in the reign of Charles II., when the 'Company of Merchants trading to the Canary Islands'⁴ was erected in 1665; but its existence terminated upon the surrender of its charter two years later⁵.

(IX)

THE SPANISH COMPANY

The merchants trading to Spain and Portugal were incorporated by Elizabeth in 1577⁶. Some organization was needed, in view of the danger from pirates, to prevent ships

¹ *State Papers Domestic*, 1633-1634, p. 271. Newcastle merchants traded to France: *Newcastle Merchant Adventurers*, ii. 14, 53.

² *Acts and Ordinances of the Interregnum*, i. 1224 (1648); *House of Commons Journals*, vi. 284 (1649).

³ *State Papers Domestic*, 1660-1661, p. 421; 1663-1664, p. 572. Macpherson, *Annals of Commerce*, ii. 505 (1662).

⁴ According to Roger Coke, "the Canary trade was managed by a company" prior to 1641, but subsequently "that trade by the Company was left": *Treatise* (1675), iii. 67.

⁵ *State Papers Domestic*, 1664-1665, pp. 187, 383; 1667, p. 486. On the history of this Company, see Skeel, "The Canary Company" in *The English Historical Review*, xxxi. 529 *seq.*

⁶ Merchants trading to Spain had received privileges from Henry VIII. in 1530: printed in Carr, *Select Charters of Trading Companies*, 1 *seq.* They applied to Elizabeth for incorporation in 1574: *State Papers Domestic*, 1547-1580, p. 488. The charter of 1577 is printed in Shillington and Chapman, *The Commercial Relations of England and Portugal*, 313 *seq.*

voyaging to Spain 'straggling apart'; moreover in Spain, as in France, merchants suffered from certain disabilities, for example, the seizure by the Government of all goods belonging to any person dying in the country¹. Nevertheless the erection of a new company aroused strong opposition: Chester and Liverpool resisted its authority on the strength of their charters and prescriptive rights: while the attempt to debar retailers from trading with Spain fanned the flames². In addition the Merchant Adventurers, jealous of the new corporations, sought to exclude the Spanish Company from their own sphere of trade in order to compel it to buy from them the commodities needed for Spain; but the northern branches, accustomed to trade to all parts of the Continent, rejected the proposal³.

At this period Spain was one of the pivots of the English commercial system. "The trade with Spain", wrote the Spanish ambassador to King Philip in 1580, "is of the greatest importance to the English"⁴. The strained relations between Elizabeth and Philip II. finally culminated in the cessation of commercial intercourse between the two countries; and this brought ruin on the English merchants⁵. "They are much troubled with this war which they have entered into against Spain", remarked a Spanish agent in England in 1586, "as the whole country is without trade, and knows not how to recover it, the shipping and commerce here having mainly depended upon the communication with Spain and Portugal"⁶. The English merchants endeavoured to carry on their trade with Spain under cover of Scottish merchants, but orders were given for the embargoing of the vessels upon their arrival in Spain⁷. The war with Spain had a more serious effect upon England's prosperity than is generally recognized, and the capture of Spanish treasure-

*Erection
of the
Spanish
Company.*

*Importance
of the trade
with Spain.*

¹ *Acts of the Privy Council*, 1599-1600, p. 491; *State Papers Domestic*, 1631-1633, p. 476.

² *State Papers Domestic*, 1547-1580, p. 626. *Acts of the Privy Council*, 1575-1577, p. 282; 1577-1578, pp. 37, 409; 1581-1582, pp. 206-207.

³ *York Merchant Adventurers*, 216-221, 226. See also *supra*, p. 256.

⁴ *State Papers Spanish*, 1580-1586, p. 8.

⁵ *Acts of the Privy Council*, 1587-1588, p. 427; 1588-1589, p. 23.

⁶ *State Papers Spanish*, 1580-1586, p. 631.

⁷ *Ibid.* 1587-1603, pp. 186-187 (1588).

ships was an inadequate compensation for the disastrous interruption of trade¹.

*Dissolu-
tion of the
Company.*

The accession of James I. restored peace² and the Spanish Company received a new charter in 1605³, though it was soon dissolved by an Act of Parliament (1606) which gave 'free liberty' to all subjects to trade with Spain, Portugal and France⁴. The Spanish merchants made repeated attempts to revive their organization, but the Privy Council was unsympathetic. They were told that "if the grievances be such in their course of trade for want of government" as they represented, they should apply for relief to Parliament⁵. One argument of the merchants in their plea for 'unity and government' was significant. Besides the usual contentions based on losses by piracy and the injuries done to their factors abroad, they claimed that they were unable to shift the duties levied upon imports on to the buyers since the latter had 'companies, orders and combinations', and were enabled to beat down the merchants' prices⁶. Towards the end of Charles I.'s reign the 'Spanish Company', as the merchants trading to Spain still continued to be styled⁷, renewed its efforts to obtain a charter: and again the opposition of the outports was apparently too strong⁸. An attempt was made to revive the Spanish Company at the Restoration, but—as in the case of the French Company—it was unsuccessful⁹. In its place a new project took shape and form: instead of seeking the monopoly of trade with Spain merchants now sought the monopoly of trade with her possessions in the New World. To the Spanish Company trading with Spain succeeded the South Sea Company trading with her oversea empire¹⁰.

¹ See *infra*, vol. iii. 211, 303.

² Rymer, *Foedera*, xx. 627.

³ Carr, *Select Charters of Trading Companies*, pp. xxiv-xxv; Shillington and Chapman, *The Commercial Relations of England and Portugal*, 161-162.

⁴ *Statutes*, iv. part ii. 1083; Misselden, *Free Trade* (1622), 86-87.

⁵ *Acts of the Privy Council*, 1616-1617, p. 353 (1617). *State Papers Domestic*, 1631-1633, p. 159; 1633-1634, p. 147.

⁶ *State Papers Domestic*, 1635, p. 519.

⁷ Cf. *Acts of the Privy Council*, 1618-1619, p. 346.

⁸ *State Papers Domestic*, 1635-1636, p. 529; 1637-1638, p. 103; 1638-1639, p. 330.

⁹ Macpherson, *Annals of Commerce*, ii. 505 (1662).

¹⁰ On the trade with Portugal, see *infra*, Appendix, p. 500, No. 1, and *infra*, vol. iii. 111 *seq.*

(X)

THE SOUTH SEA COMPANY

The law of Spain excluded foreigners from trading with her colonies. To evade the prohibition, trade to the Spanish West Indies was conducted in the seventeenth century by English merchants residing at Cadiz, who sent out English goods in Spanish ships and under colour of Spanish names. There were three methods of trading¹. One was to send goods 'coloured' in the names of Spaniards: another was to sell goods to Spaniards, receiving payment upon the return of the galleons, the risks of the voyage being borne by the seller: and the third was to lend money to Spaniards who were to repay it only if the galleons came home safely. This system of indirect trade was handicapped by heavy duties imposed on commodities entering Spain—English goods paid 23 per cent. plus an additional duty upon registration at Seville, and the goods brought back from the West Indies paid 4 to 8 per cent.². A proposal for the erection of a company to trade direct with the Spanish West Indies had been mooted under James I.³, but it proved still-born. The War of the Spanish Succession afforded a favourable opportunity for its revival. The prospect of a French dynasty ruling in Spain brought to the front the problem of direct access to the Spanish dominions in America; while the financial difficulties created by the war made the solution of the problem a matter of interest to the Government. There was a large floating debt, and in accordance with the ideas of the time it was proposed to fund it by means of an expedient similar to that which had already brought into existence the Bank of England and the New East India Company⁴. The State creditors were incorporated, under an Act of Parliament passed in 1710, in a joint-stock company upon which was conferred the monopoly of the English trade with the

*Methods of
trading
with the
Spanish
colonies.*

¹ *Hist. MSS. Comm. Portland*, viii. 153-154.

² *Ibid.* v. 51.

³ Macpherson, *Annals of Commerce*, iii. 18 (1624).

⁴ *Supra*, p. 310, and *infra*, vol. iii. 240.

South Seas¹. The capital of the Company thus consisted of Government securities. Its position was strengthened by the Treaty of Utrecht (1713) in which Spain conferred on England a limited right of trading with her colonies². The importance of the concession may easily be exaggerated: it did not create a new sphere of trade but diverted the existing trade, which passed through Spain, direct to Spanish America. As a consequence the trade with Spain suffered in spite of the establishment of English consuls in the Spanish ports, "a thing which it has been almost impossible to obtain hitherto"³. The concession was also detrimental to Jamaica, whose traders were now 'entirely excluded from the Spanish Indies' by the monopoly conferred upon the English Company⁴.

*The South
Sea Bubble.*

The South Sea Company found that its limited opportunities of trade did not provide sufficient scope for the credit, which it was in a position to raise on the basis of its loan of ten million pounds to the Government. It offered, therefore, to convert the whole national debt into 'a single redeemable obligation' to the Company at a lower rate of interest in return for the monopoly of British foreign trade outside Europe⁵. This proposal was successfully resisted by the Bank of England and the East India Company, whose privileges rested on the loans which they had made to the State, and accordingly it was modified to exclude their loans. The Government accepted the scheme and a rapid rise ensued in the market value of the Company's shares, which the artifices of the directors endeavoured to keep high by an undertaking to pay an annual dividend for the next twelve years of not less than 50 per cent.⁶.

¹ *Statutes*, ix. 436, 442. The charter of incorporation was signed in 1711. The monopoly embraced the east of South America from the River Orinoco to the south of Tierra del Fuego, and along all the west coast. It did not include Dutch or Portuguese possessions which were to remain open to all English traders: Scott, *Joint-Stock Companies*, iii. 295.

² Viz. the right to send 4800 negroes yearly for 30 years (the 'Assiento' pact). Philip allowed the Company for 30 years to send an annual ship, in the profits of which he was to participate: *The British Merchant* (ed. 1721), iii. 256; Macpherson, *Annals of Commerce*, iii. 32-33.

³ *Hist. MSS. Comm. Polwarth*, i. 45 (1716), 638. See *infra*, Appendix, p. 500, No. 2.

⁴ *The British Merchant* (ed. 1721), iii. 256-258.

⁵ Scott, *Joint-Stock Companies*, iii. 296-298, 314.

⁶ Macpherson, *Annals of Commerce*, iii. 101.

On January 30, 1720, £100 stock could be bought for £129 : on June 24, 1720, the price reached £1050¹. The national excitement found vent in an outburst of frantic speculation. The South Seas became the fashionable topic. Men hastened to borrow money to buy shares, and women sold their jewels². "I grow rich so fast", runs a letter of the day, "that I like stock-jobbing of all things"³. The fever spread rapidly. The projects for which subscriptions were invited numbered over two hundred, and included one with a great capital for an undertaking which was to be revealed in due time⁴.

The South Sea Bubble was soon pricked. The Company, in order to discourage other competitors for the public favour, instigated the prosecution of companies which had no legal authorization, but its action recoiled upon itself. The new 'stocks' were soon reported to be 'dying like flies'⁵, and their failure affected the credit of the South Sea Company itself. Shares fell even more rapidly than they had risen, and all who had bought beyond their means were ruined. "There never was such distraction and undoing in any country", wrote a contemporary⁶.

All the riches that we boast
Consist in scraps of paper⁷.

The effect was to give a great shock to the public credit and a severe set-back to joint-stock enterprise. The 'Bubble Act' (1720), which declared illegal a company without a charter⁸, served to discourage the formation of joint-stock companies on account of the expense involved in obtaining a charter. The South Sea Company survived the crash but its activi-

¹ The prices of South Sea stock from Dec. 3, 1719, to Dec. 24, 1720, are given in Rogers, *A History of Agriculture and Prices*, vii. part ii. 705-707.

² *Hist. MSS. Comm. Various*, viii. 288, 295, 350; *ibid. Beaufort*, 200.

³ *Ibid. Beaufort*, 200.

⁴ The list of 'bubbles' is given in Cobbett, *Parliamentary History*, vii. 656 seq.; Somers, *Tracts* (ed. 1815), xiii. 818; Macpherson, *Annals of Commerce*, iii. 89 seq.; Melville, *The South Sea Bubble*, chapter iv.

⁵ *Hist. MSS. Comm. Portland*, v. 597.

⁶ *Ibid. Beaufort*, 201. The shares fell to £125 on Dec. 13, 1720: Rogers, *A History of Agriculture and Prices*, vii. part ii. 707.

⁷ Cobbett, *Parliamentary History*, vii. 661. For a contemporary account, see *Autobiography of William Stout of Lancaster* (ed. 1851), 96, 98.

⁸ It was not repealed until 1825: Scott, *Joint-Stock Companies*, i. 417, 437-438. See *infra*, vol. iii. 218.

Later history of the South Sea Company.

ties were uniformly unsuccessful. It incurred heavy losses by its participation in the whale fisheries¹; while the annual 'permission ship' and the Assiento pact for supplying Spanish America with negroes proved on the whole a losing trade—owing to the mismanagement and illicit trading of its servants, and the frequent seizures of its effects in America by the Spanish authorities on the plea that it abused its privileges. In 1750 a treaty between England and Spain provided that England should surrender the Assiento pact and the 'permission ship', and that Spain should compensate the South Sea Company with the sum of £100,000². The Company was not deprived of its exclusive trading rights until 1807³.

¹ *Infra*, vol. iii. 153.

² Macpherson, *Annals of Commerce*, iii. 194, 201, 266-267, 278. See also *A True and Impartial Account of the South Sea Company* (1743); and McLachlan, *Trade and Peace with Old Spain*, 28-29.

³ *Statutes of the United Kingdom*, iii. 41; vi. part i. 117..

CHAPTER III

AGRICULTURE

AT the accession of Elizabeth the transition from the mediaeval to the modern village was still far from complete^{1a}. Villeinage as a status and a tenure was practically extinct¹, but the personal freedom of the labourer was impaired by the compulsion to service in agriculture², while copyholds preserved many of the essential features of villein holdings. Even at the end of the eighteenth century about two-thirds of the land in Cumberland was held by 'customary tenure', and burdened with fines and heriots³, the payment of rents, and the performance of services known as 'boon-days'—"getting and loading the lord's peats, ploughing and harrowing his land, reaping his corn, haymaking, carrying letters, etc., whenever summoned by the lord"⁴. The transitional character of rural economy is well illustrated by the range of conditions which prevailed in the seventeenth century within the compass of a Midland county, Northamptonshire, on estates which were all Crown property, and therefore exposed to similar economic and political influences. In some districts copyholds and freeholds, the typical mediaeval tenures, were the rule: in other districts leaseholds. Here holdings were uniform and moderate in size:

^{1a} Cf. *supra*, Introduction, pp. lxi-lxii.

¹ *Supra*, vol. i. 129.

² *Infra*, p. 391.

³ Paid here on alienation, or on death of the lord or tenant.

⁴ Bailey and Culley, *Agriculture of Cumberland* (1794), II, 44. For labour services on a manor in Cardiganshire (1691), see *House of Lords MSS.* 1690-1691, p. 472. For the survival of tenants' boon works in Sussex in the seventeenth century, see *The Book of John Rowe* (ed. Godfrey), 222, 224.

there engrossing was prevalent. In some villages arable cultivation predominated: elsewhere pasture-farming and enclosures were conspicuous¹. These marked differences within a limited area in respect of tenure, the unit of farm-management and the system of agriculture, warn us not to assume that agrarian development was everywhere uniform when in reality it was irregular and fortuitous.

In the present chapter we shall speak in turn of the structure of rural society, the system of agriculture, the organization of the corn market, and the policy of the corn laws.

(1)

THE STRUCTURE OF RURAL SOCIETY

*Classes
of rural
society.*

English rural society comprised three main classes: landlords, yeomanry and labourers. This classification disregards differences of legal status between freeholders, copyholders and leaseholders; and it omits the cottagers since in general they may be identified with labourers. First, then, as to the landlord class.

*The
landlord.*

The mediaeval village had been organized on a capitalist basis, the holdings of the peasants clustering around the lord's demesne as its economic satellites². The disintegration of the manor involved the parcelling-out of the home-farm among tenants, and the lord ceased to have a direct interest in the cultivation of the soil. His administrative staff, which had regulated the varied activities of mediaeval rural life, was dissolved; and the village community was released from the control of a ministerial body which had the power, and probably often the inclination, to develop a progressive system of agriculture. This meant that any improvements in husbandry must come from the initiative of individuals, and depend upon the slow process of education for their adoption by the generality of farmers. Hence the remarkable contrast which different parts of England presented in respect

¹ See Mr. R. Lennard's valuable study of *Rural Northamptonshire under the Commonwealth*, 95-118, 130-131; and the review by the present writer in *The Economic Journal* (1917), 84 seq.

² *Supra*, vol. I. 34.

of agricultural technique. Talk of improvements to a Buckinghamshire farmer, "and he laughs at you for a theorist; propose it to a Kentish one, and he smiles at your talking of what he has practised a century" ¹.

The race of spirited landowners and farmers, whose improvements set a standard to the rest of the farming community, existed before the eighteenth century, the period with which it is most commonly associated. Houghton, writing after the Restoration, attributed the advance made in agriculture to the Civil War, when landed proprietors, in order to repair their ruined fortunes, "fell to such an industry and caused such an improvement as England never knew before . . . pushed on by the industry and indefatigable pains of Mr. Hartlib ² and some others. And since his majesty's most happy restoration, the whole land hath been fermented and stirred up by the profitable hints it hath received from the Royal Society, by which means parks have been disparked, commons enclosed, woods turned to arable, and pasture lands improved by clover, sainfoin, turnips, coleseed, purslane and many other good husbandries" ³. Another piece of evidence supports the view that the later seventeenth century was not a period of quiescence. The Commissioners for Trade and Plantations stated in 1702 that "the lands in England have been very much improved since the year 1670 by clover and other grass seeds" ⁴.

The 'good husbandries', which revolutionized English agriculture, included in particular the use of turnips (among other roots) and artificial grasses, and the reclamation of land by drainage and irrigation. Turnips were grown in sixteenth-century England as a garden plant, and Harrison refers to them in a chapter on gardens ⁵. Their adoption for field-cultivation was due to the influence of the Flemings, 'the most skilful and painful husbandmen of all Europe', who

¹ *Annals of Agriculture*, i. 134. Houghton commented on the contrast in 1682: *Husbandry and Trade Improv'd* (ed. 1728), iv. 59.

² Hartlib was an editor who published Weston's *A Discourse of Husbandrie* (*infra*, p. 374) and Child's *A Large Letter concerning the Defects and Remedies of English Husbandry* (1651).

³ Houghton, *Husbandry and Trade Improv'd* (ed. 1728), iv. 56, 85. See *infra*, Appendix, p. 501, No. 1.

⁴ *House of Lords MSS.* 1702-1704, p. 70.

⁵ Harrison, *Description of England* (ed. Furnivall), i. 324.

became 'our first teachers' in the art of agriculture¹. As early as 1577 Googe produced an English version of Heresbach's treatise under the title of *Four Bookes of Husbandry*; but the real stimulus came when Sir Richard Weston, after thirty years' experience of farming in England, resided in Brabant and Flanders where he learnt 'a new lesson', of which he gave the fruits to his countrymen in *A Discours of Husbandrie*². Impressed with the extensive cultivation of turnips and clover abroad, he recommended that they should be grown here, not in gardens, but in fields³. They came to be known as 'the husbandry of Flanders'⁴; and Worlidge in 1669 mentions that turnips were being sown in fields 'in some parts of England', though he deplored that they were not more widely used⁵. Their general adoption was delayed, in fact, until the eighteenth century. Laurence, writing in 1726, observed that there was "nothing which of late years has turned to greater profit to the farmer than sowing of turnips in his fields"; he "finds it now to be one of his chief treasures"⁶. Half a century later Kent declared that the Norfolk farmer considered it as his 'sheet-anchor'⁷. The importance of roots and artificial grasses cannot be over-estimated. They saved the necessity of leaving one-third of the land fallow every year, and the change from a barren fallow to fallow crops⁸ provided the means for keeping cattle alive in the winter. This made fresh meat available throughout the year, whereas hitherto the nation had subsisted in the winter on salted meat; and the substitution of fresh for salted meat was responsible, in part, for the decline in the death-rate and the consequent growth of population.

Another outstanding improvement was the drainage of submerged lands at the end of the sixteenth and in the

¹ Plat, *The Jewel House of Art and Nature* (1653), 137.

² Written in 1645. The edition of 1652 (p. 5) is cited in the text.

³ Weston, *A Discours of Husbandrie* (ed. 1652), 14, 26.

⁴ Hartlib, *His Legacy of Husbandry* (1655), 42.

⁵ Worlidge, *Systema Agriculturae* (1669), 42. They were largely used in Hampshire at the end of the seventeenth century: *Victoria County History, Hampshire*, v. 425. See also *infra*, p. 397.

⁶ Laurence, *A New System of Agriculture* (1726), 109.

⁷ Kent, *Hints to Gentlemen of Landed Property* (1775), 116.

⁸ *Annals of Agriculture*, i. 80, 128.

seventeenth century. The Great Fens lying within six ^{Land drains.} counties—Lincoln, Northampton, Huntingdon, Norfolk, Suffolk and Cambridge—was described by Vermuyden as 'a continent of about 400,000 acres'¹: it was computed to be eighty miles in length and ten to thirty in breadth². "Now a richly fertile, highly cultivated district, it was in the seventeenth century a wilderness of bogs, pools and reed-shoals—a vast morass from which, here and there, emerged a few islands of solid earth. Here dwelt an amphibious population, travelling in punts, walking on stilts, and living mainly by fishing, cutting willows, keeping geese, and wild-fowling"³. Dugdale, writing after the Restoration, described it as "until of late years a vast and deep Fens, affording little benefit to the realm, other than fish or fowl, with overmuch harbour to a rude and almost barbarous sort of lazy and beggarly people"⁴. The work of reclamation was financed by Dutch and English capitalists, one of whom, the Earl of Bedford, expended over £100,000⁵; it was encouraged by the Government, which established commissions of sewers⁶; and it was partly executed by a Dutch engineer, Cornelius Vermuyden, with the aid of workmen brought from the Low Countries⁷. The 'undertakers', who embarked their capital in the enterprise, received a portion of the land reclaimed at their expense⁸; but they encountered the bitter opposition of the fenmen, who eked out a precarious subsistence and were now menaced with the

¹ Vermuyden, *A Discourse touching the Drayning the Great Fennes* (1642), 2.

² *The Drayner Confirmed* (1647).

³ Ernlé, *English Farming Past and Present*, 115.

⁴ Dugdale, *The History of Imbanking and Drayning of Divers Fens and Marshes* (1662), 171.

⁵ Vermuyden, *A Discourse touching the Drayning the Great Fennes* (1642), 2. For a Dutch loan, see *Hist. MSS. Comm.* iv. 71.

⁶ Dugdale, *The History of Imbanking and Drayning of Divers Fens and Marshes* (1662), 369 seq.

⁷ Korthals-Altes, *Sir Cornelius Vermuyden*, gives an account of his career and work. See also Dugdale, *op. cit.*; *Acts of the Privy Council*, 1597, p. 367; Scott, *Joint-Stock Companies*, ii. 352 seq.; Cunningham, *The Growth of English Industry and Commerce* (ed. 1907), ii. 112 seq.; *Victoria County History, Lincolnshire*, ii. 332 seq.; *ibid. Essex*, ii. 315.

⁸ The proportion varied. The draining of Lindsey Level in Lincolnshire, consisting of 92,000 acres, was to be recompensed by a grant of 24,000 acres: *House of Lords MSS.* 1699-1702, pp. 215 seq.

of a drill-plough¹, Townshend cultivator of turnips², Bakewell scientific breeder of cattle³, and Coke the type of the spirited landowner⁴. Thus, as in the parallel case of the 'Industrial Revolution', the ground was already prepared for the series of changes which are now designated as the 'Agrarian Revolution'.

*The
yeomanry.*

The yeomanry occupied a unique position in English society, and contemporaries were unstinted in their praise. They were deemed 'the strength and riches' of the nation, who "most enrich our country in time of peace and are the glory of our armies in war"⁵; and it was never forgotten that from the ranks of yeomen, were recruited the archers who had conquered a kingdom on the plains of France. Their reputation for hospitality caused it to be said that "when Hospitality died in England she gave her last groan amongst the yeomen of Kent"⁶. Their public spirit was evinced during the elections to the Exclusion Parliament in 1679. When warned that they would lose the harvest if they stayed away from their homes to attend the poll, they answered: "They would rather trust God with their corn than trust the Devil to choose their Parliament men"⁷. The yeomanry, said a writer in 1622, "are the only men that support the liberty of the State and make it still retain some resemblance of the ancient countenance"⁸. Nearly a century later a pamphlet, attributed to Bishop Atterbury, remarked: "They are a brave, open, plain and direct people; and, when fairly left to themselves to choose their

¹ The idea of the drill-plough is older than Tull: Harte, *Essays on Husbandry* (1764), i. 190-191; *Annals of Agriculture*, xxiii. 177. On Tull, see Marshall, "Jethro Tull and the New Husbandry" in *The Economic History Review*, vol. ii. No. 1, 41 seq.

² Lord Townshend also made a great use of marl: *Hist. MSS. Comm. Portland*, vi. 159; *Annals of Agriculture*, v. 121.

³ Young, *Tour through the East* (ed. 1771), i. 110 seq.

⁴ Brentano, *Eine Geschichte der wirtschaftlichen Entwicklung Englands*, ii. 398.

⁵ *State Papers Domestic*, 1673-1675, p. 169; Hawkins, *A Discourse of the Nationall Excellencies of England* (1658), 166.

⁶ Newbury, *The Yeoman's Prerogative* (1652), 26.

⁷ Lipson, "The Elections to the Exclusion Parliaments" in *The English Historical Review* (1913), 64.

⁸ *The Belgicke Pismire* (1622), 34.

representatives, always choose such as are, or appear to be, true friends to their country " ¹.

The term yeoman was loosely used: indeed it appears sometimes to have included persons who were not engaged in farming ². In general, however, the term was applied to the 'middle people of a condition between gentlemen and cottagers or peasants' ³. There is no question that the yeomen embraced copyholders and leaseholders in addition to freeholders. Latimer called his father a yeoman although he was a tenant farmer: Bacon spoke of the "tenancies for years, lives and at will, whereupon much of the yeomanry lived": and the author of *Britannia Languens* (1680) wrote—"Our rents are mightily sunk, which having not abated so much or speedily as was requisite, our yeomanry are generally impoverished". And again: "Our late wealthy yeomanry . . . are forced to sink their rents on the gentry continually or else to fling up their farms" ⁴. A hundred years later Adam Smith observed that "a lease for life of forty shillings a year value is a freehold . . . and a great part of the yeomanry have freeholds of this kind" ⁵. Nevertheless a more restricted usage of the term was common; and just as in the nineteenth century the status of yeoman was confined to freeholders—'petty proprietors' without 'scutcheons and crests' was Macaulay's description ⁶—so also, even in earlier times, this was often the case. In the reign of Elizabeth Sir Thomas Smith and Harrison styled the yeoman one who "may dispend of his own free land in yearly revenue to the sum of forty shillings" ⁷. The deputy-licutenants of Gloucestershire informed the Privy Council in 1628 that "the gentlemen and yeomen who let their farms and grounds have them turned

*Ambiguity
of the term
yeoman.*

¹ Somers, *Tracts* (ed. 1815), xiii. 522.

² *Hist. MSS. Comm. Southampton*, 95 (37 Elizabeth); *ibid. Rye*, 248.

³ Bacon, *Works* (ed. Spedding), vi. 95.

⁴ Latimer, *Sermons* (ed. 1844), i. 101; Bacon, *Works* (ed. Spedding), vi. 94; *Britannia Languens* (1680), 131 (in sect. viii.), 230.

⁵ *The Wealth of Nations* (ed. Cannan), i. 367. In Norfolk the yeomen were tenants: Kent, *Agriculture of Norfolk* (1796), 125.

⁶ Macaulay, *The History of England* (ed. 1906), i. 259.

⁷ Smith, *De Republica Anglorum* (ed. Alston), 42; Harrison, *Description of England* (ed. Furnivall), i. 133.

upon them, and thereby their rents are like to be much lessened" ¹. A writer in 1674 graded the rural classes as gentry, yeomen, farmers, and labourers—the 'yeoman' being a farmer-owner, and the 'farmer' a tenant-farmer ². Similarly Chamberlayne placed, next to 'the lower nobility', the freeholders 'commonly called yeomen'; and defined them as "having lands of their own to a good value and living upon husbandry" ³. Roger North, towards the end of the seventeenth century, wrote: "Those poor men were for most part landowners and not tenants . . . and were of that lusty and I may say honourable race, styled the yeomanry of England" ⁴. In the following century Arthur Young identified yeomen with 'proprietors' who were not 'gentlemen' ⁵.

*The
Kentish
yeoman.*

In some cases the yeoman appears to have been a proprietor and a tenant at the same time. Kent affords an example, as the following quotation from Hasted, the eighteenth-century historian of Kent, serves to show: "The yeomanry, which in most other parts of the kingdom is confined to the common people only, as indeed the name shows, for it is so called from the Saxon word *gemen* ⁶, which signifies common, is extended much higher in Kent; for it here likewise comprehends the principal farmers and landholders, who, either from their education or intercourse of life, are not esteemed by the gentry of equal rank with themselves, and yet, in point of wealth and possessions, they are frequently superior to many of them, who, though they write themselves yeomen, yet are usually and very properly styled gentlemen farmers; for besides the largeness of their holdings, which are from four hundred to twelve hundred pounds per annum, they have in general good estates and freeholds of their own, and some even to the amount of what they hire. And as to their hospitality, and expense of living,

¹ *Hist. MSS. Comm. Beaufort*, 481.

² R. H., *The Prevention of Poverty* (1674), 1.

³ Chamberlayne, *Angliæ Notitia* (ed. 1700), 297.

⁴ North, *A Discourse of the Poor* (ed. 1753), 66-67.

⁵ *Annals of Agriculture*, vii. 524.

⁶ The derivation is untrustworthy. According to *The Oxford English Dictionary*, yeoman may be 'ultimately identical with youngman'.

it is in general much superior to that of their landlords. Below these are the common yeomanry, on whom those above-mentioned look down, as of a rank much inferior to themselves ; though if there is any distinction between them, it must have been the luxury of the times, and the accumulation of farms, that have given them this superiority. The common yeomen appear in the honest homely garb of their profession, such as their forefathers wore, and mostly content themselves with the hiring of a single farm, and the addition of their own little estate ; for they are in general possessed of some. Their manners and behaviour correspond with their dress ; they are just and civil in their dealings and behaviour, and enjoy the domestic happiness of their own homes. . . . From these yeomen last mentioned come the labourers with which this county is supplied ; the eldest son succeeds to his father's homestal, and the others, in general, seek their livelihood by service in the neighbourhood, either in husbandry, or in the woods ; and each son succeeding on his father's decease to a division of his freehold, by the custom of gavel kind, which everywhere prevails, every man becomes a freeholder, and has some part of his own to live upon " ¹.

Not only was the status of the yeoman ambiguous but his income conformed to no fixed standards. We have seen that one class of Kentish yeomen rented holdings of four hundred to twelve hundred pounds a year in addition to 'good estates' of their own. It was of this class that the 'old proverb' ran : " A yeoman of Kent with one year's rent could buy out the gentleman of Wales and knight of Sscales ² and a lord of the North Country—his estate was so much better " ³. Chamberlayne observed that " forty or fifty pounds a year apiece is very ordinary ; one hundred and two hundred a year in some counties is not rare " ⁴. The 'statesmen' of Cumberland occupied small properties worth as little as five to fifty pounds a year ⁵. However, in general,

*Income of
the yeoman.*

¹ Hasted, *The History and Topographical Survey of the County of Kent* (1778), i. p. cxxxvi.

² Calais.

³ Celia Fiennes, *Through England on a Side Saddle*, 112 (temp. William and Mary).

⁴ Chamberlayne, *Angliæ Notitia* (ed. 1700), 298.

⁵ Bailey and Culley, *Agriculture of Cumberland* (1794), 11.

substantial yeomen owned or rented land worth two to four hundred pounds annually at least ¹. These wide variations were in sharp contrast with the uniformity which had prevailed under the manorial system, when the normal peasant holding was the yardland of thirty acres ². An endless variety of farms now existed ranging in size from a handful of acres to hundreds and even thousands. In the seventeenth and still more in the eighteenth century there was no longer anything which could be considered an average tenement, and the disparity between the small and large farm became increasingly marked. Arthur Young noticed arable farms in Norfolk which contained three thousand and even five thousand acres. "In Suffolk there are some equally large. I have seen others in Essex of above two thousand pounds a year. In Kent there are very large arable farms; and when I was in Dorsetshire they had some of three thousand pounds a year". At the other end he found farms of twenty pounds a year ³. Holdings tended to be much smaller in the open fields than on enclosed land ⁴ since one of the principal objects of enclosure was the consolidation of farms ⁵.

*Social
aspect of
the small
farm.*

On social grounds public sentiment favoured the small farm, but agricultural experts held that "a farmer of twenty pounds a year is little better than a day-labourer" ⁶. It was maintained that the day-labourer was "as well fed, as well clothed, and sometimes as well lodged as he would be, was he fixed in one of these little farms: with this difference—that he does not work near so hard. Indeed I regard these small occupiers as a set of very miserable men. They fare extremely hard, work without intermission like a horse, and practise every lesson of diligence and frugality without being able to soften their present lot. All the comfort they have, which the labourer does not possess, lies in the hope of increasing their little stock enough to take a larger farm; but this is not effected so often as many people may imag-

¹ *Britannia Languens* (1680), 131 (in sect. viii.); *Annals of Agriculture*, vii. 524.

² *Supra*, vol. i. 35, 133-135.

³ *Annals of Agriculture*, vi. 148; xxi. 263.

⁴ *Ibid.* xvi. 494.

⁵ But consolidation also took place in the open fields: Davis, *Agriculture of Wiltshire* (1794), 88.

⁶ *Essays on Several Subjects* (1769), 128.

ine" ¹. In Cumberland the small properties could only be handed down from father to son by the utmost thrift, hard labour and penurious living; and every little saving was hoarded for the payment of the eventual fine ². In general the life of the small holder appeared to contemporaries 'an unremitting succession of struggles and anxieties' ³. On the other hand, the substantial farmer lived in a plentiful style. His farm-house comprised a large kitchen with a wood fire burning on the hearth and the ceiling well hung with smoked bacon and hams, a small room for the farmer's own privacy with his family, and a well-furnished parlour in which to entertain visitors: at table an abundance of plain food with a bottle of good port after dinner: on his shelf some books of piety and common literature, but the *Annals of Agriculture* (as Arthur Young deplored) "not there so often as they ought to be": in the stable a good nag for his own riding and a one-horse chaise for his wife ⁴.

On economic grounds the small farm was almost universally condemned. It was an old proverb that 'the poor farmer is always a bad one' ⁵. Even if he knew how to farm well, he lacked the means to do so. The small holding, wretchedly cultivated, was stigmatized as 'the residence of poverty and misery'; and the crops raised on it were not only inferior in quantity and value but were produced at a proportionately greater expense ⁶. On the large farm, it was claimed, the system of cultivation was incomparably better. The substantial tenants alone possessed the resources to 'put all the springs of a perfect culture in motion'. Arthur Young depicted them in the most favourable light. "All kinds of husbandry improvements are executed with spirit by these men. . . . They drain all their wet lands, keep their fences in admirable repair, plough and harrow their lands thoroughly, and above all are rich enough at any time to

Economic aspect of the small farm.

¹ Young, *The Farmer's Letters* (ed. 1768), 114-115. "By small I mean under 100 acres": *Annals of Agriculture*, vii. 515.

² Bailey and Culley, *Agriculture of Cumberland* (1794), 44.

³ *Annals of Agriculture*, iii. 342; Boys, *Agriculture of Kent* (1796), 32.

⁴ *Annals of Agriculture*, xvii. 151-153.

⁵ *Ibid.* xxii. 411.

⁶ *Ibid.* ii. 333; vii. 516. Young, *The Farmer's Letters* (ed. 1768), 98, 133.

purchase a sufficient stock of cattle " ¹. A century earlier a writer had deplored " the want of tenants with good stocks to manage the farms they take " ²; and the growth of a class of capitalist farmers seemed necessary in the interests of scientific farming. Moreover the large farm afforded greater opportunity for some division of labour, whereas on a small holding one man performed ten different operations in the same day and acquired special skill in none ³. Nevertheless the small holder was not without defenders. Kent, impressed by his experiences abroad, condemned in 1775 " the destructive practice which has prevailed for near half a century back of demolishing small farms ". He considered that agriculture became ' the life of industry ' and ' the source of plenty ' only when ' thrown into a number of hands '. He met the argument that large farms needed less repairs with the assertion that small farms paid in proportion a higher rent to the extent of 15 per cent. ' at least ' ; and he maintained that they furnished the markets with more pigs and poultry ⁴. Kent also stressed the quality of the labour of the small farmer ⁵; and it is now more generally recognized that the most appropriate unit of production depends largely on whether the nature of the produce demands concentration of capital or intensive application of labour ⁶. The assumption that large-scale production is always best in farming is based on a fallacious analogy between industry and agriculture ⁷. And further, even the critics of the small farm admitted that it served as an agricultural ladder to give a spur to the industry of the ambitious labourer ⁸; and though the small

¹ Young, *The Farmer's Letters* (ed. 1768), 100; *Annals of Agriculture*, vii. 519, 523.

² *The Grand Concern of England explained in Several Proposals* (1673), 6.

³ *Annals of Agriculture*, vii. 519. It was also maintained that large farms provided more employment: Clark, *Agriculture of Herefordshire* (1794), 74-75.

⁴ Kent, *Hints to Gentlemen of Landed Property* (1775), 205, 208, 212; Kent, *Agriculture of Norfolk* (1796), 130.

⁵ Kent, *Hints to Gentlemen of Landed Property* (1775), 214. Boys admitted that small farmers raised more produce of a certain kind: *Agriculture of Kent* (1796), 32.

⁶ Levy, *Large and Small Holdings*, 200-204.

⁷ See the article by the present writer on " Agriculture after the War " in *The Fortnightly Review* (1918).

⁸ *Annals of Agriculture*, vii. 516.

holder worked harder his toil was sweetened by independence.

On the decline of the small holder, the yeoman *par excellence*, recent investigations have thrown new light. The land tax assessments¹ indicate that the number of small occupying owners had already greatly diminished before the last quarter of the eighteenth century; and it is impossible to suppose that where circumstances had been adverse to the survival of the small farmer-owner, they were more favourable to the small tenant-farmer. To take an example: a comparison of Tudor and Early Stuart surveys of twenty-four Oxfordshire parishes with the land tax assessments of 1785 shows that in the earlier period the number of freeholders, copyholders and tenants for lives with less than 100 acres was 482, and in the later period 212; while the total acreage in their possession was reduced from 13,674 acres to 4494². It is significant that an increase took place in the number of small occupying owners near the end of the eighteenth century³—a fact which suggests that enclosure by Act of Parliament was less detrimental to their survival than enclosure by voluntary agreement in earlier decades. The decline of the small farmer, whether owner or tenant, was indeed a continuous process originally set in motion by the disintegration of the manor and accelerated by enclosures for sheep-farming, but with occasional reversions from the large to the small farm. Laurence in *The Duty of a Steward to his Lord* laid down that “a steward, as much as in him lieth and without oppression, should endeavour to lay all the small farms, let to poor indigent people, to the great ones”. In the case of tenants the ‘vigilant steward’ was to seize the opportunity, “as the heads of families happen to fall”, to resume possession of the land instead of “continuing the farms to the poor remains who may as well betake

Decline of the small holder.

¹ The land tax assessments were first investigated by A. H. Johnson, *The Disappearance of the Small Landowner*, chapter vii., who examined about 3 per cent. of the parishes; and a detailed examination of eight counties was made by E. Davies, whose conclusions are summarized in *The Economic History Review*, vol. i. No. 1, 87 seq.

² Johnson, *op. cit.* 132.

³ *Annals of Agriculture*, vii. 525. Also note 1 *supra*.

themselves to other employments". In other cases he was "to be zealous, for his lord's sake, in purchasing all the freeholders out as soon as possible"¹. The landlord's interest in creating large farms is explained by the unsuitability of small holdings for pasture-farming and by the saving in respect of repairs to farm-houses², though rents were said to be higher in proportion on small farms³. Even in the Middle Ages land changed hands more rapidly than is commonly supposed⁴, and it was observed by a seventeenth-century writer that "few in common fields do keep their lands three generations"⁵. Much land came into the possession of non-local men who had made money in trade⁶; and when land was enclosed for purposes of sheep-farming, it usually resulted in the engrossing of holdings⁷. The failure of the Tudor monarchy to give the English peasantry a clear legal title to the land⁸ facilitated the concentration of property in fewer hands. Innumerable small farmers, unless they were freeholders, were evicted at the expiration of their term; and even freeholders were often prevailed upon to sacrifice their patrimony for a money payment. But generalizations regarding the decline of the yeomanry can only be made when more histories of individual villages have been written.

*Agricultural
labourers.*

The agricultural labourers occupied the lowest place in the rural hierarchy. They fall into two main categories: those engaged by the year, and those hired by the day or by the 'piece'. The absence of a uniform method of payment makes it difficult to determine precisely their average earnings; and the difficulty is enhanced by the number of occupations in agriculture, each remunerated differently,

¹ Laurence, *The Duty of a Steward to his Lord* (1727), 35, 37.

² *Essays on Several Subjects* (1769), 124.

³ *Supra*, p. 384.

⁴ *Supra*, vol. i. 135.

⁵ Lee, *A Vindication of a Regulated Inclosure* (1656), 14-15. The seventeenth-century court rolls of Gillingham contain frequent notices of the sale of land: Hoare, *The History of an East Anglian Soke*, 341.

⁶ *E.g. Victoria County History, Hertfordshire*, iv. 224.

⁷ Cowper, *An Essay proving that Inclosing Commons and Common Field Lands is contrary to the Interest of the Nation* (1732), 5.

⁸ *Supra*, vol. i. 178.

and by variations due to local conditions. We may glance, *Official rates of wages.* first, at the rates of wages authorized by the justices of the peace. The assessments distinguish between 'wages by the year', 'wages by the day', and 'wages for task-work'. About the middle of the sixteenth century a 'common servant of husbandry', who could 'but plough and thresh', was allowed to receive 20s. or 26s. 8d. yearly and 5s. for his 'livery'. In the next century legal wages rose gradually—at the beginning they were 33s. 4d. 'and a livery or 6s. 8d. for the same'; at the middle £3; and in the last quarter £3: 10s.¹ The remuneration of a bailiff, a 'chief shepherd', a 'chief hind', and a 'chief carter', was rated higher. It is evident that labourers who were paid only a small annual wage must have been supplied with food: no doubt they were usually unmarried men who lived on the farm². Wages paid by the day or the piece depended upon the nature of the work and whether or not food was given. The following table shows the authorized daily wages of a labourer³:

	Winter.		Summer.	
	With Meat and Drink.	Without Meat and Drink.	With Meat and Drink.	Without Meat and Drink.
1560 Northamptonshire . . .	2d.	4d.	3d.	5d.
1595 Lancashire . . .	2d.	5d.	3d.	6d.
1603 Wiltshire . . .	3d.	7d.	4d.	8d.
1635 Wiltshire . . .	4d.	8d.	5d.	10d.
1651 Essex . . .	6d.	12d.	8d.	14d.

But the rates set by the justices in different counties were not uniform, so that any inferences drawn from them have at best only a local bearing. The Essex rates, for example, were higher in 1651 than those of Worcestershire in 1663, of

¹ *Hist. MSS. Comm. Various*, i. 163, 170, 174 (Wiltshire); *ibid. Portland*, iii. 31 (Herefordshire); *The Economic History Review*, vol. i. No. 1, 132 (Northamptonshire); *Tudor Economic Documents* (ed. Tawney and Power) i. 335 (Buckinghamshire).

² Cf. *Annals of Agriculture*, xxv. 354.

³ See next note.

Warwickshire in 1684, of Wiltshire in 1685, and of the West Riding in 1703 ¹.

*Earnings
in the six-
teenth and
seventeenth
centuries.*

The recorded payments of wages show that the official rates were often exceeded. Thus on a Kentish estate in the seventeenth century a labourer, paid by the year, earned from £3 to £6, while the wages paid to the day-labourers were also higher than those sanctioned by the magistrates, namely, 1s. a day until after the Restoration when they gradually rose to 1s. 2d. and 1s. 4d. ². But Kentish rates were higher than elsewhere: a traveller in 1681 noted that in Kent "they give the best wages to labourers of any in England" ³. According to the calculations of Thorold Rogers, the daily wage of an agricultural labourer averaged 7d. in the first decade of Elizabeth's reign, 8d. in the second, and 9d. in the third and fourth. It was 9½d. during the first thirty years of the seventeenth century ⁴, when it rose to 11d. During the Civil War it averaged 11½d.: under the Commonwealth—12d.: from 1673 to 1682—13d.: and the rest of the century about 14d. ⁵. There existed, however, wide variations in different parts of the country. Cooke, a prominent lawyer, asserted (1648) that "most day-labourers in matters of husbandry earn but 6d. a day, who being six or seven in family, what will 3s. a week do to maintain them? It will but half buy bread, for they have little else to eat" ⁶. Cooke may have had a particular locality in mind, or possibly he based his statement on the printed assessments of the justices, who in Northamptonshire, even as late as 1667, fixed the daily wage of ordinary labourers in winter at 6d. a day 'without meat and drink' ⁷. Petty,

¹ *Hist. MSS. Comm. Various*, i. 164, 169, 174, 323; *The Economic History Review*, vol. i. No. 1, 131-132; Rogers, *A History of Agriculture and Prices*, vi. 691, 695, 699; vii. part ii. 611. Similarly, the Wiltshire rates in 1635 were higher than those in Herefordshire in 1632: *Hist. MSS. Comm. Portland*, iii. 31.

² Lodge, *The Account Book of a Kentish Estate*, pp. xxxii, xxxiv.

³ *Hist. MSS. Comm. Portland*, ii, 280.

⁴ In a proposal for an excise scheme in 1637 'the price of one day's work' was stated to be 9d.: *State Papers Domestic*, Addenda, 1625-1649, p. 555.

⁵ Rogers, *A History of Agriculture and Prices*, iv. 525; v. 673. See also *ibid.* v. 828.

⁶ Cooke, *Unum Necessarium* (1648), 24 (also p. 5).

⁷ And 8d. in summer: *The Economic History Review*, vol. i. No. 1, 133.

writing after the Restoration, affirmed that "the husbandman of England earns but about 4s. per week"¹. This gives an average of eightpence per workday, so that Petty also presumably generalized from the districts with which he was acquainted. The local variations are further illustrated in Roger North's statement that "in Norfolk, Suffolk and Essex a labourer hath 12d. a day; in Oxfordshire 8d.; in the North 6d. or less"².

These variations in the earnings of agricultural labourers were no less pronounced in the eighteenth century. Defoe, who was an acute observer, stated in 1728 that agricultural labourers brought home 8d. to 12d. a day. Forty years later the writer of a letter remarked: "I find on inquiry that at Horton in Northamptonshire and at Criston in Rutland 8d., 9d. and 10d. per day are the constant prices in the different seasons of the year, excepting only harvest time"³. The most abundant evidence of agricultural wages is contained in Arthur Young's *Tours*, covering the years 1767 to 1770⁴, supplemented by his *Annals of Agriculture*. The winter wages which he enumerates vary from 6d. (usually with board) to 1s. 6d. a day. Out of 173 items, embracing about forty counties in England and Wales, the entries are recorded roughly as follows⁵:

Daily Wage.	Entries Recorded.	Daily Wage.	Entries Recorded.
20d.	1	10d.	34
18d.	8	9d.	10
17d.	1	8d.	16
16d.	2	7d.	1
14d.	19	6d.	12
12d.	68	5d.	1

¹ Petty, *Economic Writings*, i. 259, 267, 305.

² North, *A Discourse of the Poor* (ed. 1753), 61 (probably late seventeenth century). A traveller in 1701 found "the wages of a good husbandman in the parts about Barnsley and Wortley to be no more than £3 a year": *Hist. MSS. Comm. Various*, viii. 223.

³ Defoe, *A Plan of the English Commerce* (ed. 1728), 90; *Hist. MSS. Comm. Eglington*, 403-404 (1767).

⁴ *The Autobiography of Arthur Young* (ed. Betham-Edwards), 44, 49, 53.

⁵ These calculations are based on the entries from the *Tours* collected in Rogers, *A History of Agriculture and Prices*, vii, part ii. Appendix xi. (I have omitted the entries in the *Annals of Agriculture* which are later than the *Tours*). Young gives the following average weekly wages through-

[contd.]

Occasionally food and drink were supplied in addition to the payment in money, particularly when the latter was small. The value of servants' board was reckoned at this period at 5d. per day in the North and at 6d. per day in the South and East¹: a century earlier Petty had estimated the value of a labourer's 'victuals' at 2s. per week². Near the end of the eighteenth century a substantial rise is recorded in rates of wages, varying from 15 to 25 per cent.—12d. was now the lowest, and 21d. the highest (Middlesex): the majority were 16d. or 17d.³ Arthur Young thought that no rural labourer in health and strength should be paid less than 16d. a day⁴.

Causes of
wage-
variations.

No single explanation will account for the wage-variations in different parts of the country. One factor was the proximity or remoteness of rural districts in regard to manufacturing centres. Where opportunities existed for local employment in industry or mining, wages then, as in our own times, were higher than when there was no outlet for the labourer other than the land. Thus farm labourers were paid better wages in the vicinity of Manchester or the manufacturing towns of the West Riding than in districts remote from industrial centres⁵. A writer in 1630 remarked on the rise in wages in Devonshire, an important seat of the woollen industry, due to the scarcity of agricultural labourers, which he attributed to the greater attractions of industry⁶. Another factor which exerted profound influence on rates of wages depended on the mobility of labour—not only from one occupation to another but from one locality to another. We must not exaggerate the immobility of the English farm labourer in earlier centuries⁷, though the factors of inertia and economic obstacles to migration were not negligible, and they were reinforced by frequent attempts at legal

out the year: *Tour through the Southern Counties* (ed. 1772), 335—6s. 3d. to 10s. 9d. (2) *Tour through the East* (ed. 1771), iv. 316—7s. 4d. to 8s. 7d. (3) *Tour through the North* (ed. 1771), iv. 296—5s. 8d. to 7s. 2d. These averages would be raised by taking into account piece-work, which was paid at a higher rate: see *infra*, p. 393. *Infra*, Appendix, p. 501, No. 2.

¹ Young, *Tour through the North* (ed. 1771), iv. 297, 320; *Tour through the East* (ed. 1771), iv. 316. ² Petty, *Economic Writings*, i. 305.

³ *Annals of Agriculture*, xxiv. 334-335 (1795). Women in Rutland earned in the summer 6d. to 8d. per day: *ibid.* xxii. 367 (1794).

⁴ *Ibid.* xxiv. 336 (1795).

⁵ *Ibid.* xviii. 571; Brown, *Agriculture of the West Riding* (1799), 203.

⁶ Westcote, *A View of Devonshire in 1630* (ed. 1845), 62

⁷ See *supra*, Introduction, pp. xxiv.-xxvi.

restraints. The policy of Elizabethan statesmen, designed to check the rural exodus and maintain labour on the land, assumed that agriculture was static and never varied in its character or requirements¹. Their programme drawn up in 1559 included a proposal to revive the Act of 1388²—under which a labourer was forbidden to leave the district where he was last in service without a letter bearing the seal of the authorities—and to stipulate in addition that no one should be taken into service without a testimonial from his last employer³. The Statute of Apprentices (1563) gave effect to the first recommendation, and it further enacted that all persons between the ages of twelve and sixty could be compelled to serve in husbandry unless they possessed independent means or were engaged in certain occupations⁴. This compulsion to service in husbandry, together with the restraints on the flow of labour imposed by the harshness of the settlement laws⁵, must have served in some measure to depress wages. The enforcement of the Act in the seventeenth century, occasional if not general, is indicated by various references⁶ including a petition made to Charles I. for the office of giving testimonials under the Statute⁷. Even in the eighteenth century a parliamentary committee recommended that the law, compelling persons not worth ten pounds 'in goods and chattels' to serve in husbandry, should be 'extended to persons having effects of greater value', and that annual engagements should be obligatory⁸. It may be noticed that compulsory service was not confined to agriculture: in 1625 Sir Hugh Middleton was authorized to impress labourers in any part of the kingdom to work his mines in Cardiganshire⁹.

¹ A criticism made in a letter written in 1788: *Hist. MSS. Comm. Fortescue*, i. 312.

² *Statutes*, ii. 56. This was enforced in Buckinghamshire in 1561: *Tudor Economic Documents* (ed. Tawney and Power), i. 336.

³ *Hist. MSS. Comm. Salisbury*, i. 162.

⁴ *Statutes*, iv. part i. 415-416.

⁵ *Infra*, vol. iii. 457 seq.

⁶ *Hist. MSS. Comm. Various*, i. 84 (1611), 132 (1655); *Hertford County Records*, i. 52 (1620), 116 (1656), 254 (1675).

⁷ *State Papers Domestic*, 1637-1638, p. 193.

⁸ *House of Commons Journals*, xx. 256-257 (1724).

⁹ Rymer, *Foedera*, xviii. 70. Labourers were impressed to build fortifications in the Isle of Wight: *Acts of the Privy Council*, 1597, p. 67.

*The
labourer's
budget.*

To determine the standard of life of an agricultural labourer, it is necessary to know the amount of his budget and the extent to which his wages were supplemented from other resources. Chief Justice Hale, whose *Discourse touching Provision for the Poor* was published in 1683 though written earlier, asserted that a man and wife with four children could not maintain themselves in meat, drink, clothing and house rent under 10s. per week¹; but a writer in *The British Merchant* (1713) inferred that about 7s. 6d. would support a family². Arthur Young in the early years of George III.'s reign framed a budget "drawn up from the actual outgoings of four [labourers] who gave me the particulars. . . . The following is in every article the medium of the four"³. In each case the family consisted of man, wife and three children⁴; yet Cooke, more than a century before, declared that "English families commonly consist of six or seven"⁵.

Bread and cheese	.	.	.	£19	10	0
Beer	.	.	.	3	18	0
Soap and candles	.	.	.	1	5	0
Rent	.	.	.	1	10	0
Clothes	.	.	.	2	10	0
Fuel	.	.	.	2	0	0
Illness, etc.	.	.	.	1	0	0
Infant	.	.	.	2	12	0
						<hr/>
						£34 5 0

This budget, representing the expenditure of a year, averaged 13s. 2d. a week, although at this period, as we have seen, wages were scarcely half this amount. It is evident that an agricultural labourer had to rely upon other resources to

¹ Hale, *A Discourse touching Provision for the Poor* (1683), 6. A budget for a Devonshire labourer supporting two children (the mother supporting herself and a third child) is given in Dunning, *Bread for the Poor*, 1698—see Eden, *The State of the Poor* (1797), i. 251-252.

² *The British Merchant* (ed. 1721), i. 263.

³ Young, *The Farmer's Letters* (ed. 1768), 198 seq. For later budgets, see Davies, *The Case of Labourers* (1795); Eden, *The State of the Poor* (1797), iii. Appendix xii.; *Annals of Agriculture*, xvi. 500. Also cf. *infra*, vol. iii. 403.

⁴ A child of 15, another of 10, and an infant: Young, *The Farmer's Letters* (ed. 1768), 192, 198. See *infra*, Appendix, p. 501, No. 3.

⁵ Cooke, *Unum Necessarium* (1648), 5, 24. The London Bakers in a memorandum (c. 1620) stated that a man commonly had 'not less than three or four children': *Remembrancia of the City of London*, 386.

make both ends meet. In manufacturing districts his wife and children might sometimes earn as much as he did, in spinning wool, flax or cotton ¹: and this would explain the ability of Young's four labourers to support a budget of 13s. 2d. per week since the family income in their case actually amounted to 14s. 6d.². But when opportunities for industrial employment were restricted, then the labourer's own wage became the mainstay of the family ³.

In any discussion of the labourer's standard of life two other considerations must be borne in mind. Contemporaries pointed out that the daily rate was 'an imperfect representation of the real price of labour' because much work was done by the piece, at which a labourer earned 3d. to 6d. a day more than the common pay ⁴. Moreover even time-wages varied at different periods of the year. Thus in Rutland, near the end of the eighteenth century, some farmers hired their labourers from the beginning of hay-time to the end of harvest, commonly about ten weeks, when wages were 9s. to 11s. per week with beer: from the end of harvest to the end of October wages were 7s. to 9s.: from thence to May, 6s. to 7s.: and from May to the beginning of hay-time, 7s. to 9s.⁵. We must therefore not exclude the possibility that the yearly earnings of a farm worker, even allowing for irregularity of employment, may have been somewhat higher than the daily wage would seem to indicate. Again, the labourer commonly had a piece of land attached to his cottage ⁶. An Act of Parliament (1589) ordered no cottage to be built unless four acres of ground were attached to it ⁷. The Act was not repealed until 1775 ⁸, but it was not strictly enforced. The justices had the power to issue licences dis-

Difficulty of determining the real price of labour.

¹ For their earnings, see *supra*, p. 49.

² Young, *The Farmer's Letters* (ed. 1768), 199 (also p. 196).

³ *The Gentleman's Magazine*, ix. 206.

⁴ *Annals of Agriculture*, xxiv. 335; Young, *Tour through the Southern Counties* (ed. 1772), 336. Piece-work was said to have increased near the end of the eighteenth century, and to lead to over-exertion, particularly in harvest: *Annals of Agriculture*, xxv. 356.

⁵ *Annals of Agriculture*, xxii. 367. For Huntingdonshire, see *ibid.* xxi. 169.

⁶ Young, *The Farmer's Letters* (ed. 1768), 202.

⁷ *Statutes*, iv. part ii. 804. This did not apply to towns, or workmen in mines, etc.

⁸ *Statutes at Large*, viii. 444.

*The
labourer's
access to
the land.*

pensing with the requirement; and at the instance of the minister, the overseers and the 'most substantial inhabitants', they appear to have exercised their power frequently¹. The parish authorities were under an obligation to provide a 'convenient habitation' for homeless persons, and the erection of cottages on the waste afforded the readiest means of doing so². James I. condemned the practice of building cottages upon the commons, "which are as bad as alehouses, and the dwellers in them do commonly steal deer, connies, sheep, oxen, horses, break houses, and do all manner of villanies"³. Many cottages were put up without licence and the local authorities connived at it, while the judges found it impossible to execute the law and suppress the cottages on the waste since this would have rendered the inmates homeless⁴. It afforded Charles I., however, an opportunity to raise money by appointing a commission to compound with the offenders⁵. The commission was revoked the next year, though individuals were still indicted, even in the eighteenth century, for breach of the Elizabethan Act⁶. Whether or not the cottager occupied four acres of land, he had the use of the commons which enabled him to keep swine and goats and geese, and sometimes a cow. We may infer, then, that the majority of agricultural labourers occupied some land⁷ or at least had access to the commons. Yet long hours of service must have severely curtailed the labourer's opportunity for doing other work. The Act of 1563 ordered that 'betwixt the middle of the months of March and September' they should work from five A.M. to seven or eight P.M., and the rest of the year from 'the spring of the day' until night—with two and a half hours for meals⁸. In the eighteenth

¹ *Hist. MSS. Comm. Various*, i. 66, 81, 324.

² *Ibid.* i. 324; *Victoria County History, Warwickshire*, ii. 167, note.

³ *His Majesties Speech in the Starre-Chamber* (1616).

⁴ *Hist. MSS. Comm. Rye*, 463; *Victoria County History, Surrey*, iv. 434.

⁵ Rymer, *Foedera*, xx. 256 (1638), 340.

⁶ *The Court Rolls of the Manor of Wimbledon*, 220, 294; *Hertford County Records*, i. 49, 83, 111, 145, 223, 420; ii. 88; *Surrey Quarter Sessions Records* (1663-1666), 84; *Victoria County History, Bedfordshire*, ii. 96.

⁷ On the kinds of land held by labourers, see the Earl of Winchilsea's letter in *Annals of Agriculture*, xxvi. 235 seq. Also see Hasbach, *A History of the English Agricultural Labourer*, 76, note.

⁸ *Statutes*, iv. part i. 416-417.

century they commonly worked from six to six in spring and summer (five to sunset in harvest), and from light to dark in winter ¹.

Apart from those settled on the land there was the migratory labour of a floating population, which provided the additional assistance required at harvest-time. Hundreds of Irish labourers with their wives and children crossed over to England, and went back so destitute that the casual charity of those whom they encountered alone saved them from starvation ². The high wages paid in Kent, famed for its 'delicious orchards of cherries, pears and apples, and great hop gardens', attracted harvesters from neighbouring counties, and the highways were thronged with 'troops of workmen' armed with sickles and scythes ³.

(II)

THE SYSTEM OF AGRICULTURE

Throughout the sixteenth, seventeenth and eighteenth centuries the course of English rural life was profoundly disturbed by the conflict between those who wished to preserve, and those who sought to destroy, the traditional methods of common-field cultivation. The defects of the open-field system, which we have described elsewhere ⁴, made it an easy target for attack. It was a familiar complaint that under a system of intermixed ownership 'no man can truly be master of his own' ⁵. The common fields, in which lay the dispersed strips of the different occupiers, were subject to a uniform course of husbandry. All land was ploughed and sown alike, whatever the nature of the soil, instead of appropriating each kind to the use for which it was best adapted. The open-field farmer was thus bound by a common rotation of crops, and his freedom of action

¹ *Annals of Agriculture*, xxi. 169; xxii. 367; Davis, *Agriculture of Wiltshire* (1794), 90.

² *Hist. MSS. Comm. Somerset*, 338 (1748). The J.P.'s of Essex and Pembrokeshire complained of their immigration under Charles I.: *State Papers Domestic*, 1628-1629, pp. 258, 358, 495.

³ *Hist. MSS. Comm. Portland*, ii. 280 (1681).

⁴ *Supra*, vol. i. 75 seq.

⁵ *Hist. MSS. Comm. Beaulieu*, 107 (temp. James I.).

was controlled by 'unthrifty and envious neighbours'¹. Agreement to changes in cultivation was 'commonly as hard to be obtained as agreement to enclosure'², so that land often remained in tillage which needed rest. Not until 1773 was it enacted that arable land lying in open fields should be 'ordered, fenced, cultivated and improved' in such manner as three-fourths in number and value of the occupiers cultivating the land—having the consent of the owners and tithe-owner—should determine³. Numerous other criticisms were voiced by those who favoured individualist husbandry. Much time was wasted in moving about from one strip to another: a greater number of horses were required: drainage of land, cross-ploughing and superintendence of labour were made more difficult: disease was rampant among the cattle, and improvement in the breed was impossible: the absence of hedges deprived the cattle of shade and shelter, and the ground of warmth: quarrels made the common fields 'seed-plots' of contention, arising out of trespasses and unrighteous dealing⁴: and lastly, less produce was raised on open fields⁵. "Enclosed ground", wrote Houghton, "will sometimes yield treble to what common will. . . . A great deal will be turned into orchards and gardens, four or five acres of which sometimes maintain a family better and employ more labourers than fifty acres of other shall do." Hops, saffron, onions, potatoes, madder and artichokes "will thrive but ill in common fields, and I suppose none will deny an acre of these to yield more money than so much wheat"⁶. It is a mis-

¹ For examples of by-laws, see "The By-Laws of the Manor of Great Tew, Oxfordshire" in *The Collected Papers of Paul Vinogradoff*, i. 286 seq.; and *The Court Rolls of the Manor of Wimbledon*, 110 seq.

² *Considerations concerning Common Fields and Inclosures. By Pseudomismus* (1654), 10, 14.

³ *Statutes at Large*, viii. 302-303.

⁴ For an example of ploughing up a balk 'or landmark', see *Hertford County Records*, i. 420.

⁵ On these points, see Blith, *The English Improver* (1649), 71-72; *A Vindication of the Considerations concerning Common Fields and Inclosures* (1656), 42; Worlidge, *Systema Agriculturae* (1669), 10; Laurence, *A New System of Agriculture* (1726), 46-47; T. Davis, *Agriculture of Wiltshire* (1794), 45, 79; R. Davis, *Agriculture of Oxfordshire* (1794), 30; Kent, *Agriculture of Norfolk* (1796), 73; Brown, *Agriculture of the West Riding* (1799), 71-74. See also notes following.

⁶ Houghton, *England's Great Happiness: or a Dialogue between Content and Complaint* (1677), 11-12. The authorship of this pamphlet was un-

take, however, to suppose that progress was impossible under the open-field system¹ though the opportunities for improvement were restricted. To give an example: turnips were sown in the common fields at Linton (Cambridgeshire) even in the seventeenth century². In many common fields the occupiers agreed to sow artificial grasses instead of suffering the ground to lie fallow, and for this purpose they sometimes substituted a four-field for a three-field system³. Moreover common-field husbandry preserved the land from 'growing worse': in some cases the produce of a village in corn and stock actually diminished after it was enclosed⁴. Hence the saying: "Severalty makes a good farmer better and a bad one worse"⁵.

The popular attitude towards enclosures depended upon the object for which they were made. While one section of opinion considered all enclosures as 'sinful'⁶, it was more usual to discriminate between those intended to promote better methods of tillage, and those accompanied by the conversion of arable into pasture and the depopulation of the country-side. The former enlisted general approval: the latter were almost as generally condemned. It is rare to find a writer with the thesis that "Cain and Abel may very well agree in the commonwealth, the ploughman and shepherd part the enclosures betwixt them"⁷. This gives particular importance to the question as to the nature of the enclosures after the middle of the sixteenth century. It has

known to Ashley, who said that in it "appear the germs of most of the 'liberal ideas' of the better known writings of the end of the century" (*Surveys Historic and Economic*, 279). Houghton disclosed his identity in *Husbandry and Trade Improv'd* (ed. 1728), iv. 99 (also p. 63). On the benefits of enclosure, see also Fortrey, *England's Interest and Improvement* (1663), 16.

¹ Clark, *Agriculture of Herefordshire* (1794), 70, described common fields as 'an insurmountable obstacle to all improvement'.

² *House of Lords MSS.* 1695-1697, p. 382.

³ T. Davis, *Agriculture of Wiltshire* (1794), 43. In Oxfordshire agreement among the farmers was said to be rarer: R. Davis, *Agriculture of Oxfordshire* (1794), 11.

⁴ *Annals of Agriculture*, xxv. 464.

⁵ T. Davis, *Agriculture of Wiltshire* (1794), 83-84.

⁶ Lee, *A Vindication of a Regulated Inclosure* (1656), 2.

⁷ *Considerations concerning Common Fields and Inclosures.* By Pseudo-misus (1654), 39-40.

been supposed¹ that sheep-farming became less profitable under Elizabeth and the Early Stuarts owing to the policy of permitting the export of corn, which made tillage more remunerative. But we shall see later that the agrarian policy of this period, while professedly intended to advance the interests of the corn-producer, was largely illusory². Pasture-farming still continued in the second half of the sixteenth, throughout the seventeenth, and during a great part of the eighteenth century, to be the principal object of the enclosure movement—not necessarily for the sake of wool but in order to produce meat, economize in wages, and give the land rest³. At the same time enclosures of common fields and common waste for purposes of arable cultivation were frequent.

*Policy of
Elizabeth.*

At the very outset the Elizabethan Government was confronted with agrarian problems which it had inherited from its predecessors; but it brought to their solution no new ideas and made no fresh departure in handling them. Its legislative programme⁴, drawn up at the beginning of the reign, embodied the traditional policy laid down in the statute-book seventy years before: "That the Statutes 4 Henry VII. c. 9 for re-edifying houses of husbandry and to avoid the decay of towns and villages, and 5 Edward VI. c. 5 for maintenance of husbandry and tillage, be put in execution"⁵. The Act of 1563 confirmed the legislation of Henry VII. and Henry VIII., and ordered that all land 'kept in tillage' for the space of four years since 1528 should be 'kept in tillage for ever', while land now under the plough was not to be converted to pasture⁶. Two years later the Privy Council, following the precedent of an official investigation set by Wolsey and Somerset⁷, agreed that "the commissions for tillage, enclosures and sheep, should be sent

¹ Cunningham, *The Growth of English Industry and Commerce* (ed. 1907), ii. 91, 98, 100.

² *Infra*, p. 450.

³ Lee, *A Vindication of a Regulated Inclosure* (1656), 8, 10. For meat, cf. Slater, *The English Peasantry and the Enclosure of Common Fields*, 94.

⁴ *Hist. MSS. Comm. Salisbury*, i. 162.

⁵ For these Statutes, see *supra*, vol. i. 175, 176, note 3.

⁶ *Statutes*, iv. part i. 406, 410.

⁷ *Supra*, vol. i. 175.

forth out of hand" ¹. In 1569 it issued a proclamation ordering judges of assize and justices of the peace to make inquiry into the conversion of arable into pasture ²; and in 1574 it instructed the Council of the North, which had already conducted an inquiry into 'unlawful taking in of commons' and decay of tillage, to "look after and redress all wrongful taking of commons, decay of husbandry and oppression of the poor". The wardens of the Marches were also enjoined "not to allow towns, villages or houses to be wasted, or lands turned . . . to pasture, lest the tenants be unable to keep horses for service and the Borders be depopulated" ³. The Government was besieged with complaints which indicate the activity of the enclosure movement in different parts of the country. Thus in 1577 it referred the question of an enclosure in Staffordshire to the judges of assize; another in Oxfordshire and Buckinghamshire to the sheriff; and a third in the North, 'whereby certain townships . . . are like to be undone', to the Council of the North. During the next few years the Privy Council entertained complaints from Gloucestershire, Kent, Worcestershire, Hertfordshire, Derbyshire, Monmouthshire, Lincolnshire, Bedfordshire and Norfolk ⁴. The judges were again bidden in their circuits to be "careful to see the laws ordained to that purpose duly executed"; and enclosures were denounced from the pulpit ⁵. The Queen herself was implicated in the enclosure of a common at Woodstock, and the tenants did not shrink from open complaint in her presence, 'at which she was greatly offended' ⁶.

¹ *Acts of the Privy Council, 1558-1570*, p. 233. There had been local disorder in Essex in 1563: *ibid.* 137.

² *Tudor and Stuart Proclamations* (ed. Steele), i. No. 637.

³ *State Papers Domestic, Addenda, 1566-1579*, pp. 65, 465-466.

⁴ *Acts of the Privy Council, 1575-1577*, pp. 55, 118, 285, 296, 323, 382; 1577-1578, pp. 155, 374, 399; 1578-1580, pp. 96, 154, 169; 1580-1581, pp. 309, 334; 1581-1582, p. 257; 1587-1588, p. 86; 1588-1589, p. 244. *Hist. MSS. Comm. Salisbury*, iv. 83. Gresham's 'park pale', enclosing a piece of common, was burnt when Elizabeth was staying with him: *Acts of the Privy Council, 1575-1577*, pp. 126, 167.

⁵ *Acts of the Privy Council, 1575-1577*, p. 285; 1577-1578, p. 374.

⁶ *Hist. MSS. Comm. Salisbury*, ii. 141 (1576). The enclosure of a common provoked a riot at Enfield in 1589 when women, 'armed with swords, daggers, staves, knives and other weapons', destroyed the fencing: *Victoria County History, Middlesex*, ii. 91.

The Oxfordshire rising.

Towards the end of Elizabeth's reign a change of policy became manifest. The Act of 1563, which was intended to prevent the conversion of arable into pasture, was repealed in 1593: "partly by reason of the great plenty and cheapness of grain at that time within this realm, and partly by reason of the imperfection and obscurity of the law"¹. Yet after 1593 prices began to rise until they reached famine heights. The following were the prices of wheat between 1593 and 1599²:

In the Oxford Market.			Annual Average for the Country.		
	s.	d.		s.	d.
Lady Day 1593 .	18	0	1592-3 .	20	10
" 1594 .	25	4	1593-4 .	24	8½
" 1595 .	44	0	1594-5 .	37	7½
" 1596 .	40	0	1595-6 .	40	9½
" 1597 .	72	0	1596-7 .	56	6½
" 1598 .	53	4	1597-8 .	52	4½
" 1599 .	29	4	1598-9 .	31	1½

The famine of 1596-1597 was attributed to enclosures; and in September 1596 a rising was planned in Oxfordshire to 'throw down enclosures', 'kill the gentlemen of the country', and seize possession of their corn for the benefit of the famished poor. "The commons", so the rumour was bruited abroad, "long since in Spain did rise and kill all the gentlemen in Spain, and sithence have lived merrily there. . . . It was but a month's work to overrun England"³. Those implicated in the revolt, being asked "what gentlemen in that country have enclosed or converted their land from tillage", replied: "Mr. Power has enclosed much; Mr. Frere has destroyed the whole town of Water-Eaton; Sir William Spencer has enclosed common fields, and many about Banbury and other places have done the same"⁴. The rising was prevented by the action of the Privy Council, but even one of its intended victims recommended "some

¹ *Statutes*, iv. part ii. 855, 893-894, 918. For the Act of 1563, see *supra*, p. 398.

² Rogers, *A History of Agriculture and Prices*, v. 268; vi. 10-14.

³ *Hist. MSS. Comm. Salisbury*, vii. 49; *Acts of the Privy Council*, 1596-1597, pp. 364-365.

⁴ *State Papers Domestic*, 1595-1597, pp. 342-343; *Victoria County History, Oxfordshire*, ii. 194-195.

order to be taken about enclosures on the western part of the shire where this stir began, that the poor may be able to live " ¹. In other parts of the country the high price of corn was responsible for ' riotous and tumultuous ' assemblies ²; and the root cause was traced by ' the common people and many others ' to enclosures ³. This opinion was shared by the Government itself : " If the prices grow upon scarcity or want, then the chief reason may be that more ground is employed perhaps to pasture than hath been of late. So as the enclosures and converting of tillage into pasture (which is generally reported to be of late increased) would be put into tillage again, whereby there may be more plenty " ⁴.

The Tudor monarchy was sensitive to every breath of popular discontent, and its apprehension of social unrest was reinforced in the Border counties by considerations of national security. Nowhere, wrote the Dean of Durham to Burghley, was the decay of tillage so dangerous as in the North. The inhabitants' arms were wont to be the strength of its walls, but now there were ' open gaps '. Want and waste had crept into Northumberland, Westmorland and Cumberland, and sometimes for twenty miles around there was no inhabitant. In the bishopric of Durham five hundred ploughs had ' decayed ' in a few years, and corn had to be brought from Newcastle. Of eight thousand acres lately in tillage not eight-score now were tilled : whole villages had been depopulated and their inhabitants turned adrift : while the towns were ' pestered ' with four or five families under one roof ⁵. To arrest this movement two measures were placed on the statute-book in 1598. The first asserted that " of late years more than in times past there have sundry towns, parishes and houses of husbandry been destroyed and become desolate, by means whereof a great number of poor people are become wanderers, idle and loose " ; and it

Fresh legislation against conversion of arable.

¹ *State Papers Domestic*, 1595-1597, p. 316.

² *Ibid.* 401 (Norfolk, 1597).

³ *Hist. MSS. Comm. Various*, iii. 89.

⁴ *Ibid. Salisbury*, vii. 498.

⁵ *State Papers Domestic*, 1595-1597, pp. 347-348, 420, 542 ; *Hist. MSS. Comm. Salisbury*, vii. 453 (1597). Contrast Johnson, *The Disappearance of the Small Landowner*, 45 : " In Durham the enclosures began after the opening of the seventeenth century ".

ordered such farm-houses to be rebuilt and land assigned to them for arable cultivation. The second stated that since the Act of 1593 "there have grown many more depopulations, by turning tillage into pasture, than at any time for the like number of years heretofore"; and it enacted that land converted to pasture should be restored to tillage¹.

*A debate
in Parlia-
ment.*

The last Parliament of Elizabeth witnessed an attempt to repeal the Statutes of Tillage, apparently at the instigation of the 'great sheep-masters'. "The ears of our great sheep-masters", protested a member, "do hang at the doors of this House"². The debate which ensued gave expression to the conflicting currents of opinion on the agrarian problem. One speaker advocated repeal on the ground that "now corn is cheap; if too cheap the husbandman is undone whom we must provide for, for he is the staple man of the kingdom". Bacon opposed the motion: "It stands not with the policy of the State that the wealth of the kingdom should be engrossed into a few graziers' hands". Raleigh considered "the law fit to be repealed. . . . The Hollander, which never soweth corn, hath by his industry such plenty that will serve other nations. . . . And therefore I think the best course is to set it at liberty and leave every man free, which is the desire of a true Englishman". Cecil retorted: "I think that whosoever doth not maintain the plough destroys this kingdom. . . . My motion therefore shall be that this law may not be repealed. . . . Say that a glut of corn should be, have we not sufficient remedy by transportation. . . . I am sure when warrants go from the Council for levying of men in the countries, and the certificates be returned unto us again, we find the greatest part of them to be ploughmen. . . . If we debar tillage we give scope to the depopulator: and then, if the poor being thrust out of their houses go to dwell with others, straight we catch them with the Statute of Inmates: if they wander abroad, they are within the danger of the Statute of the Poor to be whipped"³.

Throughout the reign of James I. the agrarian problem

¹ *Statutes*, iv. part ii. 891, 893-894.

² *Hist. MSS. Comm. Salisbury*, vii. 543.

³ D'Ewes, *The Journals of all the Parliaments during the Reign of Queen Elisabeth* (1682), 674.

remained a disturbing factor. In the first Parliament (1604) the member for Northamptonshire, at the instructions of his constituents, brought forward a motion relating to 'dispopulation and daily excessive conversion of tillage into pasture' ¹. The encloser, it was complained, "desireth nothing but grass in his grounds" ²; and Trigge categorically affirmed that depopulation commonly followed enclosure ³. Failing to make headway by constitutional methods, the inhabitants in Northamptonshire and other Midland counties took the law into their own hands. In the "month of May 1607", says Stow, "a great number of common persons" assembled in Northamptonshire and Warwickshire, and some in Leicestershire, where "they violently cut and broke down hedges, filled up ditches, and laid open all such enclosures of commons and other grounds as they found enclosed, which of ancient time had been open and employed to tillage. These tumultuous persons in Northamptonshire, Warwick and Leicestershire grew very strong, being in some places of men, women and children a thousand together, and at Hillmorton in Warwickshire there were three thousand", and elsewhere "full five thousand" ⁴. In Northamptonshire they were drawn from at least fifteen townships, and in their ranks were labourers, 'husbandmen', butchers, tailors, smiths, carpenters, weavers, shoemakers, shepherds, glovers, bakers, tanners, together with a millwright, a blacksmith, a whitetawyer, a mason, a woolwinder and a Chandler ⁵. The insurgents enjoyed the sympathy of the countryside which supplied them with provisions and tools. They called themselves 'Levellers'; and a manifesto was issued 'From the Diggers of Warwickshire to all other Diggers', protesting against encroaching 'tirants' who would "grind our flesh upon the whetstone of poverty . . . so that they may dwell by themselves in the midst of their herds of fat wethers" ⁶. The King

*The
Midland
Revolt
under
James I*

¹ *Hist. MSS. Comm. Beaulieu*, 42.

² *Ibid.* 107.

³ Trigge, *The Humble Petition* (1604).

⁴ Stow, *Annales* (ed. 1631), 890. Derbyshire was also affected; *Hist. MSS. Comm. Rutland*, i. 405.

⁵ *Hist. MSS. Comm. Buccleuch*, iii. 118.

⁶ *Victoria County History, Warwickshire*, ii. 161-162.

promised an inquiry¹, and a commission investigated the enclosures made within the preceding thirty years in certain Midland counties. The acreage affected by the enclosing movement has been calculated at 2.53 per cent. of the total area surveyed: it was nearly 4½ per cent. in Northamptonshire alone². The percentage may appear small but the returns of the commissioners were incomplete, and in any case a percentage of the whole area fails to give an adequate notion of the amount of suffering and dislocation which occurred in particular localities. Local disorders still continued in different parts of the country³, and Moore's attack upon 'greedy decayers of tillage' recalled the vehemence of the early Tudor pamphleteers⁴. At the end of the reign Parliament repealed the Statutes of Tillage⁵, apparently to prevent them being used as a pretext for extorting money from offenders.

*The
personal
govern-
ment of
Charles I.*

The personal government of Charles I. was marked by an unwonted vigour in all spheres of social policy^{6a}. Under the leadership of Strafford and Laud a new spirit was breathed into the administration of the laws, which were probably more stringently executed during the decade 1630-1640 than in any other period in the sixteenth or seventeenth century. The Privy Council was engaged during these years in a sustained effort to cope with the problem of destitution⁶, but it was not content merely to relieve poverty, and it sought to strike at the root of unemployment in so far as this was due to the conversion of arable into pasture. It issued an order for laying open new enclosures unless the owner should consent to a decree in Chancery binding him not to decay any farm-houses nor lessen tillage⁷. It also instructed the justices of the peace in the Midland counties

¹ *Tudor and Stuart Proclamations* (ed. Steele), i. Nos. 1041 and 1042. The Articles of Inquiry are printed in *Hist. MSS. Comm. Buccleuch*, iii. 119-120.

² The percentages were: Warwick, 0.93; Leicester, 2.32; Northants, 4.30; Bucks, 1.48; Beds, 3.32; Hunts, 3.29: Gay, "The Midland Revolt" in *Transactions of the Royal Historical Society*, N.S. xviii. 233.

³ *Acts of the Privy Council*, 1613-1614, pp. 92 (Wiltshire), 394 (Surrey). See also *ibid.* 1618-1619, p. 395.

⁴ Moore, *A Target for Tillage* (1612), 51.

⁵ 1624: *Statutes*, iv. part ii. 1239.

^{6a} Cf. *supra*, Introduction, pp. lxx-lxvi.

⁶ *Infra*, vol. iii. 449 *seq.*

⁷ Nov. 1630: *State Papers Domestic*, 1631-1633, p. 47.

to report any enclosures or conversion of arable made during the past two years. The returns for Leicestershire showed that in one of the hundreds two thousand acres had been enclosed, while in Warwickshire nearly five thousand acres had been converted. The Derbyshire justices reported, as to one division of the county, that they had "made special inquiry touching enclosures made within these two years but find very few within our division, for the most of our wapentake hath been long since enclosed. Howsoever, some few have been presented which we have commanded to throw down, and have stayed the proceeding of such enclosures as have been lately begun and are not finished" ¹.

Other measures taken by the Government included the appointment of three commissions to inquire into depopulation ², and the issue of instructions to judges going the assizes to punish strictly 'depopulating enclosures' ³. Though the Statutes of Tillage had been repealed, a verdict in the Star Chamber held the offence of depopulation to be punishable by the common law ⁴, and in any case the threat of a summons to the Council Table or the Star Chamber reinforced the Government's authority. Information was laid in the Star Chamber against powerful offenders, or against those who disregarded the warnings of the justices of the peace ⁵. 'Depopulators' were required to pay a fine and to give an undertaking to restore farm-houses with arable land attached ⁶. The levying of fines offered a temptation to the commissioners for depopulation to seek opportunities for

*Penalties
on en-
closures.*

¹ *State Papers Domestic*, 1629-1631, p. 490 (Leicestershire); 1633-1634, p. 387 (Warwickshire); *Victoria County History, Derbyshire*, ii. 173. For other references to enclosures, see *State Papers Domestic*, 1631-1633, pp. 27 (Derbyshire), 29, 557 (Hunts), 31, 40-41, 54 (Leicestershire), 64 (Notts), 73 (Middlesex), 74 (Dorset and Wilts), 87 (Gloucestershire), 560 (Kent); 1633-1634, pp. 162 (Kent), 309 (Lincolnshire). *Hist. MSS. Comm. Cowper*, i. 430 (Forest of Dean); ii. 115 (Lincolnshire).

² In 1632, 1635 and 1636: *State Papers Domestic*, 1631-1633, p. 490; Leonard, "The Inclosure of Common Fields in the Seventeenth Century" in *Transactions of the Royal Historical Society*, N.S. xix. 129.

³ *State Papers Domestic*, 1631-1633, p. 535.

⁴ Powell, *Depopulation Arraigned* (1636), 2, 84 seq.

⁵ *State Papers Domestic*, 1631-1633, p. 18; 1637, p. 248; 1639-1640, pp. 144, 181.

⁶ *Ibid.* 1635-1636, p. 399; 1639, p. 328. Bland, Brown and Tawney, *English Economic History: Select Documents*, 275.

extortion, and in some cases they appear to have brought actions against individuals which had no foundation in fact ¹. "The revenue of too many of the Court", wrote Clarendon, "consisted principally in enclosures and improvements of that nature, which he [Laud] still opposed passionately except they were founded upon law; and then, if it would bring profit to the King, how old and obsolete soever the law was, he thought he might justly advise the prosecution. And so he did a little too much countenance the commission for depopulation, which brought much charge and trouble upon the people, which was likewise cast upon his account" ². The justices of the peace informed the Privy Council that in their opinion enclosures of five acres and under were not prejudicial to the good of the commonwealth, nor tended to depopulation, but were essential for the maintenance of tillage ³. The popular hatred was visited, not upon these, but upon those who discarded the plough, destroyed farm-houses, seized the commons to make parks, and raised rents ⁴. It was the conversion of arable which writers denounced under the title: *Depopulation Arraigned* ⁵.

Enclosures
during the
Interreg-
num.

The political turmoil which ushered in a decade of civil strife gave the signal for the renewal of agrarian disorders. "This is no time to prosecute the enclosures of commons", runs a letter (1641), "whilst the common people are at so much liberty" ⁶. In Huntingdonshire, it was reported, "they throw open enclosures by force": in Durham 'great multitudes' of people assembled "in a warlike manner upon pretence of pulling down some enclosures": in Norfolk and on Hounslow Heath enclosures made by the Crown were destroyed 'in a very riotous manner' ⁷. The progress of the enclosing movement, and the purpose which it served, are indicated by Cooke's protest (1648): "Why so many en-

¹ *Hist. MSS. Comm. Cowper*, ii. 103, 159, 209.

² Clarendon, *The History of the Rebellion* (ed. 1888), i. 131. For the amounts levied in different counties, 1635-1638, see Gonner, *Common Land and Inclosure*, 167.

³ 1631: *State Papers Domestic*, Addenda, 1625-1649, p. 411.

⁴ *Ibid.* 1635-1636, p. 22.

⁶ By R. Powell (1636).

⁵ *Hist. MSS. Comm. Cowper*, ii. 282, 284.

⁷ *Ibid.* ii. 282; *House of Commons Journals*, ii. 471; *House of Lords Journals*, iv. 257, 274. In 1643 enclosures were destroyed in Dorset, Somerset, and Wiltshire: *Acts and Ordinances of the Interregnum*, i. 139.

closures suffered? There is no necessity of having so much mutton and beef in the kingdom; let it be as dear as it will, poor people can live without it" ¹. Under the Commonwealth there were sporadic outbursts of rioting, and in Gloucestershire troops were employed to prevent the 'levelling' of enclosures ². The enclosures in Leicestershire produced a fresh crop of pamphlets. Moore wrote: "Question many of our beggars that go from door to door with wife and children after them—where they dwell and why they go a-begging. Alas! master (say they) we were forced out of such a town when it was enclosed". "Truly it would make a charitable heart bleed" to see the markets in Leicestershire filled with tenants dispossessed of their farms and inquiring everywhere—"Can you help me to a farm or a little land to employ my team?" ³ Moore was answered by other writers who maintained that 'infinite examples' showed that enclosures could be made without depopulating. "Depopulation hath cast a slander on enclosure which, because often done with it, people suspect it cannot be done without it" ⁴.

After the Restoration the price of corn began to fall ⁵, *Enclosures after the Restoration* and this appears to have stimulated the conversion of arable into pasture. "I have seen two pieces in print", wrote Yarranton, "each making great complaint that by the late enclosures in these counties a dog and a boy do manage as much land as formerly employed ten teams, and kept forty persons at work all the year" ⁶. Roger North inveighed bitterly against the practice of sheep-farming. He declared that when land was not naturally or at least in some measure

¹ Cooke, *Unum Necessarium* (1648), 25.

² *State Papers Domestic*, 1650, p. 218 (Gloucestershire); 1653-1654, p. 180 (Staffordshire).

³ Moore, *The Crying Sin of England, of not Caring for the Poor* (1653), 8-9.

⁴ *Considerations concerning Common Fields and Inclosures*. By Pseudomismus, 9, 39. Also *A Vindication of the Considerations concerning Common Fields and Inclosures* (1656), 17. Gonner, *Common Land and Inclosure*, 160, remarks that "Moore replied [to Pseudomismus] in a printed sheet which apparently is lost". There is a copy in the Bodleian Library (Godwyn Pamphlets, 1118). It is entitled: *A Reply to a Pamphlet intituled Considerations concerning Common Fields and Inclosures*.

⁵ Rogers, *A History of Agriculture and Prices*, v. 216 seq.

⁶ Oxfordshire, Northamptonshire, Leicestershire, Warwickshire: Yarranton, *England's Improvement* (1677), 50.

fertile, it was turned by the large farmer to grass and devoted to ' the lazy profit ' of sheep only. " For it would break him to use it as a poor man doth his acre and pay for all the labour, perfunctory at best, and at the price current. And so doing no product could recompense it. So farmers, for want of cheap work, must turn into methods which have least charge, and that is grazing, which is the destruction of mankind " ¹. Nor did the movement end with the seventeenth century ². Under the first two Georges not only were enclosures numerous but they were largely attended, as before, by the conversion of arable into pasture ³. Writers still deplored the depopulation of the areas affected. " If any person goes about enclosing commons or common-field land ", observed Cowper in 1732, " it is with a view of converting tillage into pasture. . . . I myself, within these thirty years past, have seen above twenty lordships or parishes enclosed, and every one of them has thereby been in a manner depopulated " ⁴. And Henry Homer, an advocate of enclosures, wrote : " That enclosures convert a great deal of tillage land into pasture is certain " ⁵.

" The mournful peasant leads his humble band,
And while he sinks, without one arm to save,
The country blooms—a garden and a grave " ⁶.

Yet though voices were occasionally raised in protest, the movement ceased to arouse the open hostility which it had excited at an earlier period. The explanation is to be found in a change of public opinion.

We have seen that the popular sentiment at first condemned enclosures made for purposes of sheep-farming :

¹ North, *A Discourse of the Poor* (ed. 1753), 66 (probably late seventeenth century).

² The view was formerly held that the enclosing movement was quiescent in the reign of Elizabeth and during the seventeenth century. I have therefore noticed in some detail evidence of its activity. The progress of enclosures under George III. is sufficiently attested by parliamentary legislation : *infra*, p. 418, note 8.

³ Cf. Defoe, *A Plan of the English Commerce* (ed. 1728), 264.

⁴ Cowper, *An Essay proving that Inclosing Commons and Common Field Lands is contrary to the Interest of the Nation* (1732), 4, 12, 21.

⁵ Homer, *An Essay on . . . the Inclosure of Common Fields* (2nd ed.), 17.

⁶ Goldsmith, *The Deserted Village*.

but about the middle of the seventeenth century appear indications of a different outlook on agriculture. Hitherto all discussions of the agrarian problem had assumed as axiomatic that the primary purpose of agriculture was to grow corn for the nation and to support on the land as great a number of men as possible. The indictment of pasture-farming had rested on the conviction that it violated both these postulates of agrarian economics; and the 'decay of tillage' and 'depopulation' were the staple arguments used for two centuries against the conversion of arable into pasture. In the second half of the seventeenth century these arguments began to lose something of their appeal. The low price of corn allayed the apprehensions of famine, and the export of corn abroad, stimulated by the bounty, gave a visible assurance of a surplus in normal seasons ¹. Moreover the expansion of industry and trade created a demand for labour in the towns and provided an outlet for labourers displaced in the country. After the Restoration the belief was widespread that England was under-populated ², so that the contraction in the volume of rural employment, consequent upon the conversion of arable, raised a problem not of over-population but of the maladjustment of population—although the Restoration Government showed its complete misapprehension of the situation by its enactment of the Law of Settlement, which sought to chain the labourer to a fixed place of abode ³.

A group of writers began to come under the influence of the new economic tendencies. Lee, 'minister of the Gospel', definitely discarded the ethical standpoint of Tyndale and Latimer ⁴. "Have not landholders", he asked, "as much reason, and may they not with as good conscience put their lands to the best advantage?" ⁵ Lee was not indifferent to the interests of the poor, which he claimed had been safeguarded in the enclosure of his own parish at Catthorpe in Leicestershire; but he was not opposed to sheep-farming since he was prepared to trust to the promptings of self-

Different outlook on agriculture.

The argument of self-interest.

¹ *Infra*, pp. 453 seq.

² *Infra*, vol. iii. 164.

³ *Infra*, vol. iii. 457.

⁴ *Supra*, vol. i. 161-162.

⁵ Lee, *A Vindication of a Regulated Inclosure* (1656), 9.

interest to promote the public good. In the event of a shortage of corn, "men will plough up their enclosed land for their own profit; it's an undeniable maxim that everyone . . . will do that which makes for his greatest advantage" ¹. The argument showed how far men's opinions had travelled when they were ready to regard self-love as God's providence, and to accept self-interest and economic freedom in all their implications as the natural basis of human society. The remedy for the social mischief attendant upon sheep-farming was now conceived to lie, not in reactionary legislation, but in the migration of the displaced rural population to other districts, "where they might better benefit themselves and profit the public" ². Apart from the argument based on self-interest, writers were gradually feeling their way towards the revolutionary notion that the agrarian problem should be approached from the standpoint of what was the most profitable mode of investing capital. Fortrey (1663) urged that "the profit of a great part of the land and stock in this kingdom as now employed is wholly lost". This he attributed to the circumstance that land was not employed to the best advantage: it would be more profitable to utilize the soil for meat and wool, and if necessary import corn because tillage was conducted 'with great labour and small profit'. He concluded that "liberty for every man to enjoy his lands in severalty and enclosure" would be "one of the greatest improvements this nation is capable of" ³; and the fact that enclosed land was sometimes let for three times the rent of unenclosed land gave substance to his contention. Pasture-farming employed less hands than corn-growing, but the raw material which it produced needed many hands to work it up. "As many or more families", suggested Fortrey, "may be maintained and employed in the manufacture of the wool that may arise out of one hundred acres of pasture, than can be employed in a far greater quantity of arable" And any-

¹ Lee, *A Vindication of a Regulated Inclosure* (1656), 9.

² Fortrey, *England's Interest and Improvement* (1663), 18.

³ *Ibid.* 14, 16.

⁴ *Ibid.* 19. The argument was widely used: Hartlib, *His Legacy of Husbandry* (1655), 44; Yarranton, *England's Improvement* (1677), 50; Houghton, *Husbandry and Trade Improv'd* (ed. 1727), i. 49.

thing which increased the manufacturers of a country, declared Houghton, could never depopulate nor impoverish it ¹.

One circumstance favoured the adoption of a more progressive standpoint. Though the conversion of arable to pasture was often considered to involve a 'decay of tillage' ², yet actually there appears to have been no reduction in the quantity of corn produced in the kingdom as a whole. Bacon claimed that England, which was 'wont to be fed by other countries', now did 'feed other countries' ³; and the export trade affords convincing testimony that corn-growing was not diminished by the progress of enclosures ⁴. It must be remembered that wheat, rye and barley were not the only crops grown in the common fields, and the contraction of the tillage might take place at the expense of other crops such as beans. "A very considerable part of the open-field tillage", stated Henry Homer, "is employed in the growth of beans" ⁵. Moreover when land, after being enclosed, remained under the plough, more crops were raised since one-third of the land did not have to lie fallow every year. The more economical use of the land was, in effect, equivalent to an expansion of the arable acreage. In addition technical improvements could be more easily introduced on enclosed arable—"new kinds of manure, artificial grass-seeds, turnips, etc."—and these, it was claimed, had "nearly doubled the produce of our anciently cultivated light lands, and greatly increased that of many of the strong" ⁶. The cultivation of the commons and the drainage of the Fens also helped to compensate for any loss of arable acreage due to the growth of pasture-farming. And lastly, old enclosed lands were sometimes broken up for tillage ⁷, which was now considered by some

Quantity of
corn not
diminished
by en-
closures.

¹ Houghton, *England's Great Happiness: or a Dialogue between Content and Complaint* (1677), 12.

² E.g. Triggs, *The Humble Petition* (1604): 'Inclosure decayeth tillage'.

³ 1592: *The Letters and the Life of Francis Bacon* (ed. Spedding), i. 158.

⁴ For statistics of the corn trade, see *infra*, p. 460. The cheapness of corn was used as an argument that enclosure was not injurious: Halhead, *Inclosure Thrown Open* (1650), 13.

⁵ Homer, *An Essay on . . . the Inclosure of Common Fields* (2nd ed.), 17, 22.

⁶ *Ibid.* 39.

⁷ *State Papers Domestic*, 1640-1641, p. 372; Lee, *A Vindication of a Regulated Inclosure* (1656), 8.

writers to yield 'the greatest profit'¹. As early as 1592 Bacon observed that "the good yields of corn which have been . . . hath of late time invited and enticed men to break up more ground, and to convert it to tillage, than all the penal laws for that purpose made and enacted could ever by compulsion effect"².

Factors influencing the progress of enclosures.

The progress of enclosures depended upon a variety of factors³: but the main influences affecting the course of the movement may be distinguished as geological, economic, and psychological⁴. The nature of the soil was an important, though not necessarily a decisive, factor in determining the use made of it: the open-field system was less suited to light and sandy soils, and it tended to survive longest on chalk lands⁵. Proximity to urban markets brought into operation commercial forces: where villages were situated in the neighbourhood of towns, the demand for food would stimulate improved methods of cultivation. While geological and economic conditions thus played their part, the process of enclosures was also largely dependent upon psychology or tradition. The English agriculturalist, down to the late eighteenth century at any rate, did not respond readily to the promptings of self-interest nor was he actuated purely by the motive of profit. A surveyor might advise tenants that enclosure was 'the most beneficial course' they could take⁶, but the counsel often fell on deaf ears. The average value of arable land on the Crown estates in Northamptonshire in the middle of the seventeenth century was 4s. 6d. an acre, and that of pasture was 14s. 6d.⁷; in other words, pasture

¹ Blith, *The English Improver* (1649), 72.

² *The Letters and the Life of Francis Bacon* (ed. Spedding), i. 158.

³ Among the counties deeply affected in the period under survey were Derby, Durham, Hunts, Leicester, Norfolk, Northampton, Notts, Rutland and Warwick. Many counties were already much enclosed, e.g. Cheshire, Devon, Essex, Hereford, Hertford, Kent, Shropshire, Suffolk, etc.: Gonner, *Common Land and Inclosure*, 124-125, 179; Ernle, *English Farming Past and Present*, 163-164. See also *supra*, vol. i. 184, note 1.

⁴ Gonner, *Common Land and Inclosure*, 115 *seq.*, 203 *seq.*; Lennard, *Rural Northamptonshire under the Commonwealth*, pp. vii, 129-130.

⁵ Gonner, *Common Land and Inclosure*, 235, 237; Ernle, *English Farming Past and Present*, 166-167.

⁶ Norden, *The Surveyors Dialogue* (1607), 97.

⁷ Lennard, *Rural Northamptonshire under the Commonwealth*, 119. For other examples of the difference in value between enclosed and unenclosed

[*contd.*]

was over three times the worth of arable—and yet in the eighteenth century more than half the county was unenclosed¹. Evidently the conservative prejudices of the farming community did not easily accommodate themselves to the varying demands of changing market conditions; and there existed many parallels to the 'statesmen' of Cumberland, who handed on their patrimony to their children together with their ideas of cultivating it².

The most serious obstacle which impeded the enclosing movement was the commons. They excited more controversy than any other part of the open-field system, for in the eyes of their critics they were the quintessence of all the defects ascribed to the traditional methods of husbandry. They were condemned alike from the economic and social points of view: on the one hand as extravagantly wasteful and inefficient, on the other as an encouragement to idleness and beggary. A writer in the seventeenth century described them as a 'grief and scandal'³, and a hundred years later Arthur Young was still urging their cultivation 'as the very greatest object of British policy'⁴. *The Commons.*

The primary purpose of the commons was to pasture the cattle belonging to those who possessed 'rights of common'⁵: *Their economic and social evils.* but the system was abused. The rich commoners, with plenty of cattle, exceeded their stint. "Injury is daily done . . . to the meaner sort", wrote a surveyor in 1607, "in oppressing the fields"⁶. Others, again, exercised the privilege unauthorized. These practices impoverished the commons, and the cattle "by reason of their continual hunger" suffered from disease: "so that the farmer is

land, see *supra*, vol. i. 137, 140-141. In 1785 the 'new enclosures' near Northampton let at 40s. to 60s.; when open at 10s. or 12s.: *Annals of Agriculture*, vi. 456. The rent of enclosed land was often tithe-free: *ibid.* xvi. 494.

¹ Gonner, *Common Land and Inclosure*, 257-258.

² Bailey and Culley, *Agriculture of Cumberland* (1794), 44-45.

³ *Britannia Languens* (1680), 289.

⁴ *Annals of Agriculture*, i. 53. Young computed that 'the valuable but waste lands' amounted to one-fourth of England: *ibid.* x. 353.

⁵ See *supra*, vol. i. 80.

⁶ Norden, *The Surveyors Dialogue* (1607), 96. Similarly: Moore, *Bread for the Poor* (1653), 32; *Considerations concerning Common Fields and Inclosures*. By Pseudomusus, 4

utterly undone by the death of his cattle " ¹. Moreover it was impossible to protect cattle from infection or to make improvements in the breeding of stock, when they herded together promiscuously ². While the commons thus failed to discharge their economic functions adequately, they were productive of great social mischief. In many places custom permitted anyone who could rent a house of a certain value to 'enjoy the profits of the common', and "when their stock fails and poverty comes upon them, then they come to the parish's charge" ³. In addition thousands of 'squatters', 'upstart intruders', settled upon the commons where they erected a rude shelter, and, living as much as possible without labour, eked out a precarious subsistence by 'breaking hedges, cutting woods and stealing fowl' ⁴. It was the general view that the commons were 'nurseries of thieves and horse-stealers' ⁵, which created the poor by encouraging idleness—"there are fewest poor where there are fewest commons" ⁶. The difficulty of providing a remedy arose from the multiplicity of vested interests at stake, whose tenacity retarded the progress of the enclosing movement in the face of an ever-growing volume of criticism. Enclosure and improvements depended upon procuring the consent of those affected, which was 'infinitely difficult'; and when in the eighteenth century recourse was had to legislation, this involved the heavy expense of obtaining a special Act of Parliament ⁷.

The existence of wide stretches of uncultivated land, given over to wretched cattle and to human beings scarcely less wretched, inspired a number of projects designed to promote a more economical use of the national resources. A

¹ *Hist. MSS. Comm. Beaulieu*, 108 (*temp.* James I.); Blith, *The English Improver* (1649), Preface; Plattes, *Practical Husbandry Improved* (ed. 1656), chapter vii.

² *Annals of Agriculture*, xx. 144; Middleton, *Agriculture of Middlesex* (1798), 106.

³ *Hist. MSS. Comm. Portland*, li. 266 (1681).

⁴ *Considerations concerning Common Fields and Inclosures. By Pseudomusus*, 7; Coke, *Treatise* (1671), i. 77; Middleton, *Agriculture of Middlesex* (1798), 103. Also see *supra*, p. 394.

⁵ Moore, *Bread for the Poor* (1653), 5, 21.

⁶ Hartlib, *His Legacy of Husbandry* (1655), 43.

⁷ *Annals of Agriculture*, x. 353.

scheme was laid before Burghley for the compulsory division and sowing of wastes to compensate for the land which had been turned from arable to grass, and the Crown set an example by dividing a common on one of its estates among the freeholders and copyholders¹. A Bill for 'improving' the commons was introduced into Parliament in 1621, but it met with strong opposition. "Innovations dangerous", said one member. "The eye of Providence can hardly foresee the mischiefs," declared another, alluding to Kett's insurrection². A proposal made to Charles I. to 'improve' many thousand acres of heath and barren commons, "not annually worth sixpence an acre", assumed the appearance of a fiscal device to fill the coffers of the 'projectors' associated with it³. A writer under the Commonwealth appealed to Parliament to enclose the commons, yet to disarm opposition he was careful to add: "provided it be done with so large allotments unto all people that have any interest or present benefit thereby, as they may be gainers by such enclosures if they will be industrious"⁴. A Bill was introduced into Parliament in 1656 to enclose the commons but was rejected: a similar fate befell a Bill brought forward after the Restoration⁵. While the economic advantages of enclosing the commons seemed incontestable, the 'great controverted point' turned upon its social consequences—whether it would tend to depopulate the village and injure the poor⁶. The economic and social interests of the rural community appeared in conflict, though Houghton believed that enclosure of the waste would increase the population, and Petty held that its cultivation would do away with beggary⁷. None of the projects we have mentioned materialized—no Govern-

*Proposals
for the en-
closure of
commons.*

¹ *Tudor Economic Documents* (ed. Tawney and Power), i. 72 (c. 1576), 81 (1587).

² *House of Commons Journals*, i. 611. The Bill empowered the lord chancellor to appoint commissions, where desired, to apportion the commons among those having common rights, but it was rejected: *Hist. MSS. Comm.* iii. 19.

³ *State Papers Domestic*, 1637, p. 189.

⁴ Robinson, *Certain Proposals* (1652), 19.

⁵ *House of Commons Journals*, vii. 470 (1656); viii. 555 (1664).

⁶ Defoe, *An Essay upon Projects* (1697), 82.

⁷ Houghton, *Husbandry and Trade Improv'd* (ed. 1728), iv. 11; Petty, *Economic Writings*, ii. 474-475.

ment was strong enough to attempt a solution of the problem on a national scale—but they served as an indication of the struggle between the agricultural ‘improvers’ and the ‘Goths and Vandals’ (as Arthur Young termed the backward farmers) of the open fields. The failure to handle the commons on a uniform principle, which might have safeguarded the interests of the poor, resulted in a policy of piecemeal encroachment which left behind it a permanent legacy of bitterness.

Methods of enclosure:
(i.) individual action.

It remains to speak of the methods of enclosure. There was, first of all, the measures taken by individuals. The lord's right to occupy waste land was recognized by the Statute of Merton (1235), and the exercise of this right of *approvement*, as it was called, created a fertile source of controversy¹. The enclosure of the commons by the arbitrary action of the lords had been an outstanding feature of the agrarian movement in the sixteenth century, and it was a frequent occurrence in the following century². Under the Commonwealth the Diggers protested against the ‘Norman tyranny’: “Let the common people have their commons and waste lands freed. . . . Break the Norman yoke of lords of manors. . . . Seeing you took away the will of the King from enslaving lords of manors, take away the will of lords of manors from enslaving the common people”. They claimed that ‘the common people’ had a true right to dig, plough up and dwell upon the commons since the whole land of England was ‘a common treasury’ to every one born in the land³. The lord also had it in his power to enclose his own demesne⁴, which sometimes lay dispersed in strips over the open fields; the effect was to deprive the villagers of ‘common of shack’, that is, the right to graze their cattle on the arable fields after harvest. Among the open-field farmers the practice of

¹ *Supra*, vol. i. 82, 138, 159-160.

² *Acts of the Privy Council*, 1587-1588, p. 87; *State Papers Domestic*, 1640-1641, pp. 371-372. Tenants and others also encroached on the waste: Norden, *The Surveyors Dialogue* (1607), 99.

³ Winstanley, *An Appeal to the House of Commons* (1649), 8, 11-12; Winstanley, *A Letter to the Lord Fairfax* (1649), 7-8; Winstanley, *A New-Yeers Gift for the Parliament and Armie* (1650), 20-24.

⁴ *Hist. MSS. Comm. Cowper*, i. 459 (1632).

piecemeal enclosure was widespread—"it is a liberty that, all the country over, those who either by purchase or exchange can lay their land conveniently together have used"¹—but, in the case of the lesser men, enclosing land in the common fields could apparently be treated as an indictable offence².

More important than the efforts of individuals in bringing about a partial or complete dissolution of the open-field system was the corporate action of the community. (ii.) *Corporate action.* Agreements between the shareholders in the open fields to enclose their land, or divide the waste, were not unknown in earlier times³, but they became the normal procedure in the seventeenth and first half of the eighteenth century. There was an obvious advantage to the landlord, who enjoyed a freer hand to use his land as he thought fit; and the tenants themselves often preferred a division of the commons on the ground that their landlord or "some of their fellow-tenants, being men of wealth and such as have great stocks of cattle, . . . do so overcharge all the common as the poorer sort can reap little or no benefit thereby"⁴. Blith in *The English Improver* recommended provision to be made for the poor in enclosing commons⁵; and the agreement sometimes set aside land for the use of the poor who possessed neither strips in the arable fields nor rights of commons⁶. It was the general absence of any such provision in the parliamentary enclosures of the eighteenth century, which made an economic necessity the parent of social injustice. Moreover the whole body of commoners appear to have participated in appointing commissioners to redistribute the land, whereas later they were nominated by the promoters of the enclosure⁷.

¹ *Hist. MSS. Comm. Various*, ii. 392 (c. 1679); Lee, *A Vindication of a Regulated Inclosure* (1656), 31.

² *Hertford County Records*, i. 318.

³ *Supra*, vol. i. 138, 160.

⁴ *Acts of the Privy Council*, 1587-1588, p. 86; 1596-1597, pp. 548-549.

⁵ Blith, *The English Improver* (1649), 66.

⁶ Lee, *A Vindication of a Regulated Inclosure* (1656), 3. It was proposed in 1769 that land should be reserved for the poor: *Essays on Several Subjects*, 152. Actually they sometimes received half a rood, which they sold for £5 and then drank away the proceeds: *Annals of Agriculture*, xvi. 482.

⁷ Leonard, "The Inclosure of Common Fields in the Seventeenth Century" in *Transactions of the Royal Historical Society*, N.S. xix. 114; Hammond, *The Village Labourer*, 60.

*Chancery
decrees and
private
Acts of
Parliament.*

Private agreements were often confirmed by the Court of Chancery or the Court of Exchequer¹ in order to strengthen their legal validity. Yet the private agreement suffered from the defect that it required the unanimous consent of those affected, and it was apparently doubtful whether even a decree in Chancery could bind a dissentient minority². This unanimous consent was difficult to obtain³, although sometimes it was secured by buying out recalcitrant individuals at exorbitant prices⁴ or by threatening tenants with lawsuits⁵. To overcome the difficulty, recourse was had to private Acts of Parliament, which differed from decrees in Chancery in the respect that they could set in motion the process of enclosure, and not merely confirm an arrangement already concluded; and, further, they were binding upon dissentients. The private Act of Parliament, however, developed out of the decree in Chancery since at first its purpose was to give legal validity to an existing agreement⁶, though later it served both to initiate and regulate enclosures. There are a few examples of enclosure by Act of Parliament in the seventeenth century⁷; they become more frequent under the first two Georges; and the number was increased to several thousands after 1760⁸. The cause and extent of the rapid increase of parliamentary enclosure—a procedure stigmatized by Arthur Young as “a composition of public folly and private knavery”⁹—and the complicated social

¹ Leonard, *op. cit.* 109.

² Curtler, *The Enclosure and Redistribution of our Land*, 136; Leonard, *op. cit.* 109-110.

³ Homer, *An Essay on . . . the Inclosure of Common Fields* (2nd ed.), 6.

⁴ Double the value in one case: *State Papers Domestic*, 1595-1597, p. 518.

⁵ Gonner, *Common Land and Inclosure*, 168.

⁶ *Ibid.* 62, 188.

⁷ Houghton in 1681 proposed a General Enclosure Act: *Husbandry and Trade Improv'd* (ed. 1728), iv. 16. Worlidge in 1669 recommended a Statute to compel the minority to submit to the majority: *Systema Agriculturae*, 12.

⁸ There was an Act under James I.; 4 under Charles II.; 2 under William and Mary; 3 under Anne; 16 under George I.; 226 under George II.; over 3000 under George III.: Leonard, *op. cit.* 108, note; Cunningham, *The Growth of English Industry and Commerce* (ed. 1907), ii. 558, note 5; Slater, *The English Peasantry and the Enclosure of Common Fields*, Appendix A and B.

⁹ *Annals of Agriculture*, vi. 459. “They sent one Bill into the country for the assent of the people interested, and brought me another differing in twenty particulars, to carry through the committee without once

[*contd.*]

and economic effects produced by it, lie outside the scope of this chapter.

(III)

THE CORN MARKET

The stage of 'subsistence farming' is sometimes opposed to that of 'commercialized agriculture' in a way which tends to create an erroneous conception of English agrarian development. Even in the Middle Ages farmers raised corn in excess of their personal needs, so that they carried on agriculture with a view to profit as well as to satisfy the requirements of their household. Indeed the growth of towns would have been impossible if the cultivators of the soil had not produced a surplus for sale in the urban markets. Hence the corn market is as old as the town.

From the standpoint of the market the corn-growers can be divided into four categories¹. The 'poor' farmers "with great difficulty and labour, and seldom without some credit as well from the shopkeepers as their landlord", struggled to make both ends meet until the harvest, and usually sold the corn before the end of the year or by the spring sowing. The farmers 'in moderate circumstances' were obliged to raise money at seed-time, fairs and quarter-days, in order to defray the cost of seed, livestock and rent: "and if they have any corn left in May they think themselves well off". The farmers 'in good circumstances' were generally able to reserve a few loads of wheat in the expectation, if the season should prove a bad one, to make a better price than before the harvest. The 'rich' farmers were in a position to keep the whole or the greater part of their crops throughout the year, to speculate on the markets, and sell when they liked the price. The last group in some measure served the same purpose as public magazines², keeping a quantity of corn always on hand. It was considered "a most happy circum-

mentioning to me that the two Bills differed": *Hist. MSS. Comm. Carlisle*, 310 (1775).

¹ Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 11-12.

² *Infra*, p. 436.

stance for this nation that there are a set of wealthy farmers who have it in their power to retain a part of their growth in those natural and best of granaries, their ricks ”¹; though Marshall pointed out that “ were the whole in the hands of men of large capitals a greater scarcity might be experienced in autumn and the early part of winter ”².

*Methods of
selling
corn.*

The farmers disposed of their corn in several ways. They sold it on the farm, when it was in the barn or while it was still standing in the field ; or they carried it to market ; or they took a sample to market. Public opinion sanctioned only the second of these methods. The practice of selling corn outside a market was condemned as an evasion of the laws against middlemen³; and doubts were also cast upon the legality of sale by sample, though it economized the cost of transport and was practised, as we have seen, among the Yorkshire clothiers⁴. “ The farmer that has perhaps twenty load of wheat in his barn rubs out only a few handfuls of it with his hand, and puts it into a little money bag, and with this sample, as ’tis called, in his pocket away he goes to market. When he comes there, he stands with his little bag in his hand at the particular place where such business is done, and there the factors or buyers come also. The factor looks on the sample, asks his price, bids, and then buys—and that not a sack or a load but the whole quantity ; and away they go together to the next inn to adjust the bargain. . . . And ’tis odds but the factor deals with him ever after by coming to his house, and so the farmer troubles the market no more. . . . Though on a market day there are very few waggons with corn to be seen in the market, yet the street or market-place, nay, the towns and inns, are thronged with farmers and samples on one hand, and with mealmen, London bakers, millers, and corn-factors and other buyers on the other ; the rest of the week you see the waggons and carts continually coming all night and all day, laden with corn of all sorts to be delivered on board the hoys [barges], where the hoymen stand ready to

¹ *Annals of Agriculture*, xxvii. 21. Cf. *ibid.* iii. 341.

² Marshall, *The Rural Economy of the West of England* (1796), i. 103.

³ *House of Commons Journals*, xxvii. 656. See *infra*, pp. 428 seq.

⁴ *Supra*, p. 88.

receive it, and generally to pay for it also ; and thus a prodigious corn trade is managed in the market, and little or nothing to be seen of it " ¹.

The middlemen, who handled the corn in its passage from the producer to the consumer, were known by a variety of names : badgers, broggers, carriers, kidders, laders, corn-brokers, corn-chandlers, corn-factors, corn-jobbers, corn-merchants, corn-mongers and corn-regraters ². In addition there were millers, mealmen and bakers, who handled the flour. Many of these terms were used interchangeably, and it is best therefore to classify the corn and flour dealers according to the functions they served. The main groups comprised merchants, factors, retailers, mealmen and bakers. Classifica-
tion of
middle-
men.

The merchant acted in a twofold capacity—as a wholesaler he supplied the retailer in the home market ; as an exporter, which was his principal business, he furnished the foreign market. Some merchants were in a large way of business : half the corn sent abroad from London in the years 1676–1683 passed through the hands of four merchants ³, and an Edinburgh corn-merchant, Coutts, founded a banking house ⁴. The factor traded on commission. He kept a stand in the market—the London market was Bear Quay ⁵—where he sold corn for the owners in different counties on commission ⁶. According to Defoe, factors were to be found in all the great corn markets and ports throughout the kingdom ⁷, but his statement that they bought corn themselves, while not improbable, is contradicted by the evidence of a witness before a parliamentary committee in 1766 that they did not deal in corn upon their own account ⁸. Corn-
merchants.

The outstanding figure in the corn trade was the retailer upon whose activities was concentrated the critical and generally hostile attention of the public. These activities Corn-
retailers.

¹ Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 43–46 ; *Annals of Agriculture*, xxv. 427–428.

² For the use of these terms, see Gras, *The Evolution of the English Corn Market*, 157 seq., and Westerfield, *Middlemen in English Business*, 134 seq.

³ Gras, *op. cit.* 197.

⁴ *Infra*, vol. iii. 245.

⁵ Campbell, *The London Tradesman* (1747), 287.

⁶ *House of Commons Journals*, xxx. 763.

⁷ Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 36.

⁸ *House of Commons Journals*, xxx. 763.

were stigmatized as forestalling, regrating and engrossing. As a 'forestaller' he negotiated for the corn before it came to the market: as a 'regrater' he purchased it in the market itself at advantage for resale at higher prices¹: as an 'engrosser' he stored up the corn until prices had risen. He was thus a speculator in place and time²: he bought in one place to sell in another, or bought and sold at different times in the same place.

Mealmen.

Mealmen and meal-factors were dealers in meal and flour. They afford another illustration of the tendency on the part of the trader to absorb the manufacturing processes. At first the mealmen gave their corn to the millers to grind, but in the early eighteenth century they were said to own most of the mills themselves, so that they became both mealmen and millers. This gave them in some parts of the country a practical monopoly of the corn trade, and they seized the opportunity to form 'rings' and make price agreements. "The mealmen have combined together", a witness from Surrey informed a parliamentary committee in 1734, "under a penalty, to buy no more corn pitched in the market, and that all corn should for the future be bought by samples. And thereby the mealmen, not being contented to take the market bushel, fix the price of corn on the farmers and the measure too; for they oblige the farmers to sell them so much corn for a bushel as weighs seventy-two pounds, which generally increases their measure to five bushels the sack, whereas formerly a sack held only four bushels; and they resell it again to the poor at fifty-six pounds only a bushel"³. Their trade required considerable capital. "To carry on every branch of the corn and flour trades", it was remarked in 1758, "a much larger sum of money is required than may commonly be imagined", owing to the long credit which was allowed their customers⁴.

A variety of practices marked the system on which bakers conducted their business in different parts of the

¹ *Supra*, vol. i. 300.

² *House of Commons Journals*, xxx. 763.

³ *Ibid.* xxii. 265, 292, 299.

⁴ Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 17-18. The first edition of this valuable work was in 1758.

kingdom. In country districts many of them bought their *Bakers.* corn and had it ground either 'on hire' or at their own mills: others obtained corn or flour as they found it convenient: while in London, more particularly, they purchased flour from mealmen or meal-factors. To make good bread of a uniform quality, it was best for the baker to deal with mealmen or meal-factors, who "having many sorts to sell scarcely ever use the flour of one sort of wheat alone; and the advantage this gives them is inconceivable, for a number of sorts judiciously mixed—by the mutual assistance of their different qualities arising from the various soils on which they grow—will do much better than almost any one sort alone"¹. Yet even in London bakers sometimes dispensed with the 'shop-keeping mealmen', purchased their requirements direct at the market, and in the capacity of mealmen supplied private families with flour².

The weekly expenses of a baking establishment in the early seventeenth century are disclosed in an interesting memorandum drawn up about 1620 by the London Company of White Bakers. It is headed—'A computation of a baker's particular charges arising upon the baking of ten quarters of wheat by week in London'; and it sets down the size of a baker's household, the scale of his weekly expenditure, and the extent of his business. The items which it enumerates are as follows:

	s.	d.
House rent ("after the rate of £30 p. a.")	. 11	6
Diet for baker and his wife	. 10	0
„ their 3 children	. 7	0
„ 4 journeymen	. 16	0
„ 2 apprentices	. 8	0
„ 2 maidservants	. 8	0
Apparel for baker, his wife and 2 apprentices	. 7	8
Apparel and school for 3 children	. 3	0
Wages for 4 journeymen (at 2s. 6d. each)	. 10	0
Wages for 2 maidservants	. 1	8
Yeast	. 10	0
Salt	. 1	0
Wood	. 12	0

¹ Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 23-24.

² Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 37.

	s.	d.
Coal ¹	1	4
Water	0	8
Miller's toll for grinding ²	15	0
Parish dues to the parson, the scavengers, the poor, and for watch and ward	1	0
Other items—sacks, baskets, porters, 'garner rent', 'boulters'.	6	3

The total amounts to £6 : 10s. 1d. : "besides all duties to the King's majesty, charges in the City and in the ward, charges in his Company, charges of reparations of his house, charges for household stuff daily bought into the house and amended. Also losses by stale bread, ill debtors, bad servants and other like hindrances. Item, there is a penny in every shilling given away for vantage. Item, many bakers do scarce bake ten quarters a week"³. It is not stated whether the journeymen lodged in their master's house although they were given their board, but some idea of the cost of lodgings may be gathered from the fact that in a provincial town at this period lodgings could be obtained for 'a groat a week'⁴.

The Assize of Bread.

The importance of bread as a primary necessary of life was responsible for a series of attempts, extending from the thirteenth to the nineteenth century, to regulate the weight and price of bread in accordance with a sliding scale known as the Assize of Bread. The history of the Assize in the Middle Ages is related elsewhere⁵: its survival in modern times is attested by parliamentary enactments, royal proclamations and local records. Thus a proclamation admon-

¹ At the rate of 4 chaldrons a year.

² The miller received half a bushel in the qr., and the calculation assumes 10 qrs. at 24s. per qr.

³ *Remembrancia of the City of London*, 386-387.

⁴ This was paid by one who lodged 'half every week', so for the whole week the cost was perhaps double: *Records of Reading*, ii. 178 (1624). A groat is 4d. Some light is thrown on a brewer's business by the 'confession' of a brewer in 1556 'of the gains he hath clear at every brewing'. He brewed 6 quarters of 'olter' malt, 8 bushels of barley malt, and 6 bushels of roast malt, the total costing £3 : 16s. Out of this he brewed 20 bushels 'of the best' at 6s. 8d. per bushel and 11 bushels 'of the middle' at 3s. 4d. per bushel. This brought him in £8 : 10s., so that (allowing 14s. for wood) his profit was £4 : *Hist. MSS. Comm. Exeter*, 314. The profit was doubtless considered exorbitant, but as Marshall has pointed out (*Principles of Economics*, 7th ed. 609) "in a small business much wages of labour is classed as profits".

⁵ *Supra*, vol. i. 293-294. For the Assize of Ale, see *infra*, Appendix, p. 501, No. 4.

ished the justices of the peace in 1562 to 'look to the assize of victual'¹; and in the eighteenth century a number of Acts demonstrated that, in the case of bread, Parliament remained wedded to the authoritarian traditions of State control identified with the absolute monarchy. The Act of 1710 affirmed that the law of 1266 for settling the Assize of Bread, the oldest enactment relating to bread on the statute-book, was "expressed in terms so obscure and impracticable in these times that many doubts and difficulties have arisen and daily do arise in the construction thereof"; and it was now replaced by a new measure in order that "a plain and constant rule and method may henceforward be duly observed and kept in the making and assizing of the several sorts of bread made for sale". The local authorities were enjoined to set 'the assize and weight' of bread according to the price of flour, "making reasonable allowance to the bakers for their charges, pains and livelihoods"². A subsequent Act (1758) established not only an Assize Table where the price of bread was fixed and the weight varied ('assized bread'), but also a Price Table where the weight was fixed and the price varied ('prized bread')³.

The Assize of Bread was based upon the principles that in the sale of an article of prime necessity "the price should be moderate", and "all temptation to the seller to deceive the buyer either in its quality or weight should be counteracted as far as possible"⁴. It was intended, wrote Davenant, to "give the common people the benefit of plenty", consumption keeping pace with abundance and the weight of bread increasing as the price of corn fell. He noted that it was "strange economy in our government" that plenty should make things a greater drug to the first seller and very little cheaper to the buyer; and he attributed this defect

The purpose of the Assize.

¹ *Tudor and Stuart Proclamations* (ed. Steele), i. 558.

² *Statutes*, ix. 248; *House of Commons Journals*, xvi. 389. A table of the Assize of Bread is given in Penkethman, *Artachthos or A New Booke declaring the Assize or Weight of Bread* (1638); Powel, *The Assize of Bread* (ed. 1661); Sheppard, *Of the Office of the Clerk of the Market* (1665), 35.

³ *Statutes at Large*, vii. 218 seq.

⁴ *Annals of Agriculture*, xxi. 551. The clerk of the market was appointed in every county to oversee all the measures: Sheppard, *Of the Office of the Clerk of the Market* (1665), 1.

to the frauds of retailers¹. Nevertheless the intervention of the magistrates was apt to create as many problems as it solved. It was futile to control only the baker and not the miller²; moreover interference with prices might cause supplies to be withheld. The experience of the London authorities in 1757 demonstrated this danger. They attempted to reduce the prices of wheat and flour by setting the Assize of Bread lower than the market prices would bear: as a result flour was withdrawn from the market and a dearth ensued³. The power of the magistrates in setting the Assize was in reality only 'declaratory': they indicated at what prices, according to 'the returned value' of the grain, the baker would have a reasonable profit. Hence the primary purpose of the Assize was to satisfy the public that the price which the bakers demanded was no greater than the authorities deemed reasonable. "And they have two rules by which they may judge if they have been mistaken. . . . If they have been induced to set the Assize too high, or so as to give the bakers too large an allowance, they will find many of them sell for less"; and if they "set it too low, they will find . . . the markets badly supplied"⁴. The public faith in the virtues of the Assize gradually lapsed. At the end of the seventeenth century Davenant had drawn a distinction between commodities such as bread, "where the goodness of the commodity is in its nature uniform so that one cannot improve upon it or give it a more real value than another", and commodities "capable of melioration by skill, art and care". In the first case he considered that "an assize, or limitation of the price of the commodity by the magistrate may be for public advantage": in the second case assizes were "impracticable and a bar to industry"⁵. A century later public opinion was moving in the direction

¹ Davenant, *Works* (ed. 1771), i. 64-65.

² Pownall, "On the Bread Assize" in *Annals of Agriculture*, ix. 557 seq. Cf. also *ibid.* xii. 174.

³ Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 28-29 (also pp. 25-26).

⁴ *Ibid.* 30-31. In 1772 a parliamentary committee reported that the Act of 1758 "has never been . . . in actual operation according to the true intent and meaning thereof": *Reports from Committees of the House of Commons*, iii. 57. On the Assize generally, see also *ibid.* ix. 3 seq.

⁵ Davenant, *Works* (ed. 1771), i. 287.

indicated by Arthur Young when he wrote: "I am much inclined to believe that absolute liberty of sale is never restrained but at the expense of the consumer"¹. The Assize of Bread was abolished for London in 1822 and for the rest of England in 1836².

The Assize of Bread took account primarily of wheat³, *England not 'the happy land of white bread'.* which became much more generally used for bread in the eighteenth century by the masses of the people, though it was not yet universal. It was estimated in the middle of the century that a labourer spent 1s. 3d. a week on rye bread, while wheaten bread cost him 1s. 9d.: the latter was consumed by pitmen and those earning above 9s. a week⁴. In earlier centuries England was not 'the happy land of white bread'⁵, and rye was 'the food of the poor'⁶, or a mixture of wheat with rye or barley termed maslin⁷. A traveller in the reign of William and Mary encountered "much rye in Lancashire, Yorkshire, and Stafford and Shropshire, and so Hereford and Worcestershire, which I found very troublesome in my journeys, for they would not own they had any such thing in their bread. . . . In Suffolk and Norfolk I also met with it"; but in Westmorland it was "altogether the oatbread"⁸. In times of scarcity barley was 'the bread-corn of the poor'⁹, and in some parts it was used as bread-

¹ *Annals of Agriculture*, xxi. 565, note. Sir Dudley North (*Discourses upon Trade*, Preface, p. ix) had written in 1691: "No laws can set prices in trade, the rates of which must and will make themselves".

² Webb, "The Assize of Bread" in *The Economic Journal*, xiv. 218.

³ The Act of 1758 framed a table for other grains: *Statutes at Large*, vii. 222. For the view that the Assize did not originally exclude bread other than wheaten, see Ashley, *The Bread of our Forefathers*, 149 seq.

⁴ Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 79, 182-185, 194. He estimated that wheat was consumed by 3½ millions, rye by nearly 1, barley by ½, and oats by over ½. Cf. *Annals of Agriculture*, xvi. 58.

⁵ Savine, *English Monasteries on the Eve of the Dissolution*, 199.

⁶ *House of Commons Journals*, i. 545 (1621). See also Ashley, *The Bread of our Forefathers*, 132 et passim, and Savine, *English Monasteries on the Eve of the Dissolution*, 198-201.

⁷ Homer, *An Essay on . . . the Inclosure of Common Fields* (2nd ed.), 18; Young, *The Farmer's Letters* (ed. 1768), 204-205; Tuke, *Agriculture of the North Riding of Yorkshire* (1800), 117.

⁸ Celia Fiennes, *Through England on a Side Saddle*, 159.

⁹ *State Papers Domestic*, 1619-1623, p. 455. This was sometimes the case even in London: *Remembrancia of the City of London*, 380 (1595). In 1631, a year of famine, barley was the 'chief sustenance of the general body of the kingdom': *State Papers Domestic*, 1629-1631, p. 532.

corn even in normal times ¹. "In champaign [unenclosed] countries", said an Elizabethan writer, "much rye and barley bread is eaten" ²; while at the end of the eighteenth century bread in Cumberland was 'generally' made from barley and in Westmorland from oat-meal ³.

*Restric-
tions on the
middlemen.*

In the Middle Ages the activities of the middlemen had been viewed with inveterate suspicion and dislike ⁴. This attitude remained widespread in the sixteenth, seventeenth and eighteenth centuries, when the restraints formerly imposed by the local authorities now received the sanction of the State. In order to keep down the number of corn-dealers, the Act of 1552 ordered that all badgers of corn must be licensed by the justices ⁵. It was supplemented by the Act of 1563, which stipulated that they must be licensed at the quarter sessions, and admitted only married men and householders: in addition, they were not to buy out of open fair or market except under special licence⁶. It would appear that the justices issued licences with a lavish hand, or else the dealers often dispensed with the formality of a licence. Thus in 1612 the Wiltshire magistrates were urged to suppress the great number of badgers and carriers of corn who frequented the market towns of Devizes, Chippenham and Lavington: the names of twenty-five carriers are enumerated of whom the greater part belonged to Potterne. The action taken on this occasion suggests that the increase in numbers had been unauthorized: "All jobbers discharged and none suffered to buy in any markets of the county unless he show a licence subscribed by the justices" ⁷.

The licensing of corn-dealers did not imply the removal

¹ *State Papers Domestic*, 1629-1631, p. 539; 1631-1633, p. 18. And following notes.

² Harrison, *Description of England* (ed. Furnivall), i. 153, 155.

³ Eden, *The State of the Poor* (1797), i. 510-512.

⁴ *Supra*, vol. i. 293 seq. For the middleman in wool and leather, see *supra*, pp. 19, 23.

⁵ *Statutes*, iv. part i. 149. For examples of the issue of licences, see *Quarter Sessions Records for the County of Somerset*, ii. 59, 119, 120, 126, etc.

⁶ *Statutes*, iv. part i. 439-441. Certain northern counties were exempted.

⁷ *Hist. MSS. Comm. Various*, i. 85.

of all restrictions upon their activities. They still remained subject to the ordinary market regulations; and the nature of the control exercised in some places over the corn market is illustrated by the following 'order to be observed within the market' (1554)¹: "First, before the market do begin, the justices of the peace and officers of the market shall call before them the most part of such as hath grain there to sell, and to require them . . . to confer together for some reasonable price for their grain to be sold there the next day, and thereupon that no other person having grain to sell there that day sell not above the said prices so before appointed by the sellers". No one might buy corn before the hour of nine, when it was then permitted to make purchases "for the necessary provision of their own houses, so that no man buy above two bushels of one kind of grain" unless authorized to do so. Bakers, brewers, badgers and other persons buying grain for resale must be licensed and must not buy before the hour of eleven: "after which time it shall be lawful for all them to buy such corn and grain as shall be thought convenient by the officers there". No dealings in corn were to take place except at fairs and markets; and corn was not to be moved anywhere except on market days, under penalty of imprisonment and forfeiture of the grain.

The efforts of the local authorities² to curb the activities of the middlemen were seconded, not only by the legislature³, but by the central executive working through the Privy Council. The intervention of this body was most frequent under Elizabeth and the Early Stuarts when its influence pervaded every sphere of economic life. We describe in another chapter⁴ the elaborate machinery set up under the 'Book of Orders' for the control of the market, but it may be noticed here that the Council issued repeated instructions to the justices of the peace, who were encouraged or admonished, as the occasion demanded, to maintain a close and exacting supervision over the marketing of corn. Thus in

¹ *Hist. MSS. Comm. Various*, iv. 129 (? East Lavington).

² For presentments of offenders, see *Hertford County Records*, i. 30 (1600), 109 (1655), 140 (1661), 315 (1682); *Quarter Sessions Records for the County of Somerset*, ii. 152 (1631).

³ *Supra*, p. 428.

⁴ *Infra*, vol. iii. 442 *seq.*

1574 orders were given that "neither by forestalling, regrating or other deceitful and corrupt dealings the price of corn be enhanced"; and in 1590 Burghley, in his capacity as lord lieutenant of the county, was asked to 'take order' for restraining the engrossing of corn by badgers, and not permit them to forestall the market by purchasing at the farmers' houses¹. The year 1597 was one of high prices. The 'lamentable cry of the poor' reached the ears of the Government, which attributed their distress to the "insatiable desire of such as do forestall and engross for their particular lucre"²; and its readiness to take repressive measures was shown in the case of an engrosser brought before the Council, concerning whom it was reported that "the Queen's attorney doth urge the matter with some vehemency and threatens to bring it into the Star Chamber"³. The justices of the peace were pressed "to deal severely with all such as be owners of the corn", to compel them under penalty of imprisonment to supply the market, and "to over-rule them in their prices"; and they were instructed not to allow badgers to "abuse themselves by any sleight or means to the prejudice or enhancing of the prices of corn in the market"⁴. But the magistrates did not always look with favour upon a policy inimical to their interests as producers, and—as they probably found by experience—hardly practicable. Their lack of zeal moved the Council to indignant remonstrance: "When the justices of peace (and indeed we think divers of the justices more in fault than any others), whose duty is to reform those abuses, are themselves authors and maintainers of the same, no marvel though the poor people find no remedy nor our orders take effect"⁵. A remarkable letter, near the end of Elizabeth's reign, attested the strength of the official view that the practices of middle-

¹ *Acts of the Privy Council, 1571-1575*, p. 197; *Hist. MSS. Comm. Salisbury*, iv. 52.

² *Hist. MSS. Comm. Salisbury*, vii. 497.

³ *Ibid.* vii. 442. For cases relating to forestalling, etc., see Illingworth, *An Inquiry into . . . Forestalling, Regrating and Ingrossing* (1800), 137 seq. Also *In Camera Stellata* in Powell, *Depopulation Arraigned* (1636), Appendix.

⁴ *Acts of the Privy Council, 1596-1597*, pp. 81, 152; *Hist. MSS. Comm. Somerset*, 20; *ibid. Buccleuch*, i. 229; *ibid. Salisbury*, vii. 410.

⁵ *Acts of the Privy Council, 1596-1597*, p. 152.

men were responsible for 'the immoderate raising' of the price of corn, while it betrayed the Government's sense of impotence in depending for redress upon those who were 'both judge and party'. "Herein we must deal plainly with you", the Council wrote to the justices, "that when we do consider how common a thing it is upon any direction from hence to have little or nothing effected by reason of the partiality in bearing one with another's friends, we might much more doubt of any clear dealing now when we are afraid it be true, which we have heard, that in this case some of you shall be made both judge and party"¹.

Under the Commonwealth the legislation against dealers in corn was extended to include dealers in flour. The Act of 1650 allowed only licensed persons to buy grain to sell again as meal or flour, and it required all meal to be sold in the public market². The London mealmen protested that the Act was based on misinformation since the selling of meal in shops "was never any prejudice as pretended"; moreover it deprived them of the privilege, enjoyed by all other free-men of London, of trading in their own shops³. After the Restoration it was permitted (1663) to regrade and engross but not forestall, that is, to buy corn in open market and store it for resale, but not to buy it outside a market. This was subject to the conditions that the corn was not sold again in the same market within three months, and that its price, in the case of wheat, did not exceed 48s.⁴. Of the Act of 1663 Adam Smith affirmed that "with all its imperfections [it] has perhaps contributed more both to the plentiful supply of the home market and to the increase of tillage than any other law in the statute-book. It is from this law that the inland corn trade has derived all the liberty and protection which it has ever yet enjoyed"⁵. Hostility towards the

*Subsequent
legislation.*

¹ *Acts of the Privy Council, 1599-1600*, pp. 733-735.

² *Acts and Ordinances of the Interregnum*, ii. 442.

³ *State Papers Domestic, 1654*, p. 139. A committee had reported to the London authorities in favour of this restriction in 1647: Gras, *The Evolution of the English Corn Market*, 462.

⁴ *Statutes*, v. 449. Similar measures (but with a lower price limit) had been enacted in 1627 (32s.) and 1656 (40s.): *ibid.* v. 30; *Acts and Ordinances of the Interregnum*, ii. 1045. The Act is criticized in Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 39.

⁵ *The Wealth of Nations* (ed. Cannan), ii. 36.

corn-dealer still persisted, and in 1698 the Council issued directions for the execution of the laws against forestallers, regraters and engrossers of corn¹. However in the next century (1734) it was stated that these laws had become obsolete: they were condemned in 1767 by a resolution of the House of Commons²: and they were repealed in 1772 on the ground that "it hath been found by experience that the restraints laid by several Statutes upon the dealing in corn, meal, flour, cattle", etc., "by preventing a free trade . . . have a tendency to discourage the growth and to enhance the price of the same"³.

*Middlemen
unpopular
but indis-
pensable.*

The legislation relating to middlemen shows that two things are outstanding in their history—their extreme unpopularity and their apparent indispensability. 'A kind of gamesters that play with one another for the labours of the poor', so Petty described them, while admitting that they were 'veins and arteries' to distribute the products of husbandry and manufacture⁴. Acts of Parliament and Government edicts, as we have seen, fulminated against them but failed signally to dislodge them from the economic system. Their indispensability is explained by the nature of the function which they served: their unpopularity by the opportunities which they enjoyed for abusing this function.

*Their un-
popularity.*

The charge against the middlemen was that they forced up prices by withholding grain from the market: they manipulated supplies in order to create an artificial scarcity⁵. The cause of dearth was found not so much in the 'unfruitfulness' of the seasons, as in the 'wicked and unsatiable greediness' of those "who preferring their own private gain above the public good do forestall, regrate and engross"⁶.

¹ *Hist. MSS. Comm. Portland*, ii. 178.

² *House of Commons Journals*, xxii. 265 (1734); xxxi. 291 (1767). In 1766 a proclamation had been issued for their enforcement: Illingworth, *An Inquiry into . . . Forestalling, Regrating and Ingrossing* (1800), 271.

³ *Statutes at Large*, viii. 202. But prosecutions still took place under the common law: Galpin, *The Grain Supply of England during the Napoleonic Period*, 25, note. See *infra*, Appendix, p. 501, No. 5.

⁴ Petty, *Economic Writings*, i. 28.

⁵ *Tudor and Stuart Proclamations* (ed. Steele), i. No. 558; *Hist. MSS. Comm. Salisbury*, x. 183.

⁶ Proclamation of 1598 (Bodleian Library: Arch. G.C. 6, No. 378). A similar view was expressed in a parliamentary debate at the end of the eighteenth century: *Annals of Agriculture*, xxv. 427.

Burghley condemned as anti-social the practice of "buying too much and keeping the same, and uttering [selling] thereof when and how they please". Those engaged in this kind of traffic, he observed, "in all ages have been accounted so odious to the commonwealth as they are termed *publici inimici patriae*"¹. Their machinations were believed to debar the poor from "enjoying the plenty which God hath blest us withal"². An example of the popular complaint against corn-dealers is a petition exhibited to the Privy Council against William Andrews of Sutton Courtenay, "a very rich man, by whose covetous practices, as is alleged, the poor which in former time were wont to provide themselves and supply their wants of corn in the markets at Abingdon, at reasonable rates, are now enforced to buy the same of the millers at excessive prices; and that the said Andrews by desire of insatiable gain doth depute others for him to buy corn in the markets of Oxford, Abingdon and Wantage, and retaineth a great quantity thereof in his hands until some time of scarcity that the prices of the same be enhanced, and then uttereth and venteth the same at his pleasure, to the impoverishment of the poorer sort and hindrance of all the inhabitants thereabouts"³.

In marked contrast with the popular view was the opinion expressed by Child that there were "no persons more beneficial to trade in a nation than engrossers"⁴. Child wrote after the Restoration when the relaxing of industrial and commercial restraints was being widely canvassed⁵; but even a century earlier a Surrey magistrate was advocating the novel doctrine of a free market for corn and the removal of all restrictions on the buying and selling of provisions⁶. The middleman, in fact, rendered services with

Their indispensable.

¹ *Hist. MSS. Comm. Salisbury*, vii. 497-498. He also included rich farmers who held back their corn. 'Wolves or cormorants' is the description in a letter of the Privy Council: *Acts of the Privy Council*, 1597, p. 359.

² *Hist. MSS. Comm. Verulam*, 195 (1638). Similarly: *Hertford County Records*, i. 57 (1622).

³ *Acts of the Privy Council*, 1590-1591, p. 156.

⁴ Child, *A New Discourse of Trade* (4th ed.), 78.

⁵ See *infra*, vol. iii. 324.

⁶ *Victoria County History, Surrey*, iv. 431, note (1576). Malynes contended that engrossing prevented a slump in prices, whereby trade is 'overthrown': *Consuetudo vel Lex Mercatoria* (1622), 213.

*More equal
distribution in
point of
place.*

which the community was totally unable to dispense. First of all, he relieved poor farmers of the expense and trouble of carrying their corn to market. The Nottinghamshire justices complained in 1623 that the law confining the sale of corn to market towns was a serious injury to the small husbandman, who often had not horses wherewith to convey his grain to a distant market¹. It was essential to him, they said, to sell his corn in the best market: and the 'best market' for his purpose was often the middleman at his gate. Equally the poor consumer, in whose interest the intricate network of restrictions and prohibitions was devised, might live at a distance from the market or lack money to go thither on market-days²: so that the age-long attempt to confine dealings in corn to a public market³ did not always consort with the interests of either producer or consumer. Moreover the market itself was dependent upon the middleman for abundant and regular supplies: he linked up the towns with the corn-growing areas and saved them from a precarious dependency upon the local producers. As an eighteenth-century writer pointed out: "It is natural, and indeed reasonable at first view, for people to think that in times of scarcity there should be no interposition, if possible, between the grower and the consumer, or at least the manufacturer of grain; but this, in fact, is generally impracticable unless so far as the produce in the neighbourhood of a great city or town will go. The corn, therefore, necessary for supplying distant places or counties has always and generally must be bought—and transported to the places where the demand is—by merchants or others of substance and knowledge in that branch of business. It is obvious the growers and manufacturers of grain, and far less the consumers, cannot engage in such purchases and transportation of corn to or from distant places. It is also obvious that" the intermediaries employed must collect great quantities at different places, "and this practice, however necessary for the supply of distant places of the Island, comes under

¹ *Victoria County History, Nottinghamshire*, ii. 288.

² *State Papers Domestic*, 1654, p. 139.

³ For mediaeval legislation relating to markets, see *supra*, vol. i. 224.

the letter of the old Statutes against forestalling and engrossing of corn" ¹. An incident in the history of London showed the danger of discouraging the middleman from carrying on his trade. In 1630 the mayor of Chipping Wycombe authorized licensed badgers to buy wheat for the London market, but found them very unwilling to take advantage of their opportunity, because their corn had been taken from them by direction of the London authorities at such low rates that they had lost 'at least ten pounds on every twenty quarters' ².

The middleman served to ensure a more equal distribution of corn not only in point of place but also in point of time. He held back corn when it was plentiful and brought it forward when it was scarce. This last function, in some respects the most important, bore the brunt of popular disapproval since corn speculation seemed to rob the poor of God's blessing. The qualities of prudence and foresight were discouraged by the indiscriminate condemnation of 'hoarding': yet even in the Middle Ages the need for precautionary measures, if engrossing were prohibited to the individual, had impressed itself upon the town authorities who instituted municipal granaries ³. James I. sought to establish the system of granaries on a national scale, and issued a proclamation (1623) ordering the erection of magazines for 'the well-storing and furnishing the realm with corn' ⁴. They were to be set up in London—where the Livery Companies already maintained a magazine of corn ⁵—in the 'port' towns, and in 'the shire towns'; and corn was to be bought for storage when it was under 32s. a quarter for wheat, 18s. for rye, and 16s. for barley. The project was specious ⁶, but it was attended with practical difficulties.

¹ Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 60-61.

² *State Papers Domestic*, 1629-1631, pp. 417-418.

³ *Supra*, vol. i. 302.

⁴ Rymer, *Foedera*, xvii. 526; *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1365. The Privy Council had ordered the Northamptonshire justices to erect a magazine in 1620: *Hist. MSS. Comm. Beaulieu*, 97.

⁵ *Remembrancia of the City of London*, 389-390. See also *infra*, vol. iii. 441.

⁶ Yarranton advocated public granaries: *England's Improvement* (1677), 123 *seq.* Similarly: Decker, *Essay on the Causes of the Decline of the Foreign Trade* (ed. 1744), 94 *seq.*

These were pointed out by the London authorities when they were pressed to purchase and maintain a magazine of thirty thousand quarters of corn—the expense of erecting granaries, the effect of amassing so large a store in raising the price of corn, and the loss of stored-up grain ‘ by vermin, shrinking and screening ’¹. It was also held that public magazines would be a discouragement to tillage by inducing farmers to believe that in the long run they would serve to keep prices at a low level. The function of the corn speculator was to fulfil the purpose of a corn magazine in storing-up corn ; and while he shouldered the risks in place of the community, he was less exposed to the danger of loss. “ In private hands, though the quantity may be, and generally is, as large as it would be in public magazines, yet it is always circulating—by many shifted once a month, and by scarcely any less than three times a year—in consequence of which the corn hath no time to decay ”².

‘ Rings ’
among
middlemen.

And, finally, the apologist for the middlemen denied that they were responsible for the rise in prices. They were too numerous to combine for the purpose of forcing up prices : every advance was quickly known to all the dealers, and the desire of sharing in the profit soon overstocked the market. “ Quantity and that alone can frustrate all attempts to engross or forestall. If there be a good crop, or a proper quantity of grain either at home or from abroad to be got for the market, no art or scheme can enhance the price of grain whatever speculative persons may fancy to themselves ; and if there be a bad crop and the quantities of grain be scanty, no art or regulation of Government will keep the prices low ”³. In the light of these arguments corn-dealers came to be viewed with more favour. Near the end of the eighteenth century a committee of the Privy Council not only concluded that “ the inland trade of corn ought to be perfectly free ”, but added : “ This freedom can never be abused ”⁴. Whether its optimism was justified or not in the case of the corn trade, it is at least certain that the

¹ *State Papers Domestic*, 1631–1639, p. 433 (1632).

² Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 14.

³ *Ibid.* 17, 65.

⁴ *Annals of Agriculture*, xiii. 360 (1790).

freedom accorded to the middleman was liable to be abused in other branches of the provision trades. According to the facts revealed in an inquiry held by the House of Lords in 1692, the butter trade with Suffolk was engrossed by a 'ring' of Thames Street wholesalers, who numbered twenty-two out of two hundred and fifty in the whole of London. These wholesale men bought the butter from the farmers in the country through their local agents; and they practically monopolized the market by the threat of boycotting the local warehouse-keepers and hoymen, if they shipped any butter for other London dealers ¹.

The removal of the restraints on middlemen was due ultimately to the fact that the machinery, which they provided for the distribution of corn throughout the kingdom, was the indispensable condition of the growth of towns. The interests of London, in particular, demanded internal free trade in corn. It was impossible to preserve the customary restrictions on the purchase and sale of grain in the face of the requirements of the metropolis, which steadily increased as its population expanded. The protective system with which each locality had enveloped itself in the Middle Ages ² proved incompatible with a national economy, and the assertion of freedom in the inland corn trade was only part of a larger movement to break down all internal restraints on commercial intercourse ³. The extent of London's needs in the sixteenth century are indicated in a statement drawn up by 'the lord mayor and his brethren' in 1574: "We say that there is spent in the term time weekly in bread-corn 2571 quarters, and out of the term 1409 quarters. Be it remembered that we think somewhat more is spent baked in men's own private houses, whereof we cannot set down any certainty. The brewers do spend weekly for their strong beer 200 quarters of wheat and in malt 2000 quarters at the least. We say that the number of white bakers within the City and liberties are 62, and the number of brown bakers are 36, and the number of ale-brewers are 58, and the number of

¹ *House of Lords MSS.* 1692-1693, pp. xvii-xviii, 108, 355.

² *Supra*, vol. i. 265.

³ Cf. *supra*, p. 253.

beer-brewers are 33 *in toto*. We say that there is baked weekly in common ovens by private persons bought in the meal markets 306 quarters" ¹. The requirements of a provincial town are indicated in a corn census taken at Coventry in 1520. It contained 68 brewers and 43 bakers, who baked 132 quarters of wheat every week 'besides peas and rye'. At the time of the census the stock of corn held in the city was approximately 47 quarters of wheat, 100 quarters of rye and maslin, and 39 quarters of oats, in addition to 2405 quarters of malt and 18 quarters of peas: the number of inhabitants was 6601 ².

*Sources of
London's
supplies.*

London drew its supplies from a wide area ³. The corn-growing lands in the vicinity did not furnish a sufficient store, and the 'bakers and victuallers' of the City were constrained to repair further afield ⁴. The authorities stated in 1574 that "the City hath been chiefly furnished with all kinds of grain for provision of the same from the shires lying westward from the City, and aptly conveyed to the City as well by land as by the River of Thames, as also from Kent ⁵, Sussex, Dorsetshire, Hampshire, Essex, Suffolk and Norfolk, and not out of any foreign part but upon a sudden and mere extremity" ⁶. The intrusion into country markets of moneyed men from the capital was resented by the local population: "for by the daily carrying away of their commodities, the prices of those which remain are very much raised" ⁷. At the rumour of a London buyer prices at once rose 25 per cent. and the local market was stripped bare ⁸. The absence of London agents caused a corresponding fall in prices: in 1700 wheat in Hertfordshire was very cheap 'by reason no

¹ Gras, *The Evolution of the English Corn Market*, Appendix 1. For an estimate of the 'bread-corn' consumed in London in 1631 (between 130,000 and 140,000 quarters yearly for the City and suburbs), see *State Papers Domestic*, 1631-1633, p. 78. See *infra*, Appendix, p. 502, No. 1.

² *Coventry Leet Book* (ed. Harris), 674-675.

³ Cheshire supplied London with butter and cheese: *Acts of the Privy Council*, 1597-1598, p. 372.

⁴ *Ibid.* 1589-1590, p. 284.

⁵ "The principal supply for the City came from Faversham and those parts of Kent": *Remembrancia of the City of London*, 373 (1580).

⁶ Gras, *The Evolution of the English Corn Market*, Appendix 1. For the eighteenth century, see Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 32-33.

⁷ *State Papers Domestic*, 1595-1597, p. 107.

⁸ *Hist. MSS. Comm. Salisbury*, ii. 70 (1574).

London loaders came down ' ¹. In bad seasons the Privy Council confessed that it found "exceeding great difficulty to reconcile the wants of the city and country, the one requiring great supply, the other not so able in these as in other times to afford such store" ². Eventually the concentration of the trade in London made corn cheaper there than elsewhere ³.

A sharp conflict of interests soon arose between the London and the country dealers. At first the latter supplied the London bakers and brewers, "whereby many of them grew to be men of wealth" ⁴; and by giving credit to their customers, some of whom were fourteen or fifteen hundred pounds in their debt ⁵, they appeared to have entrenched themselves firmly in the metropolitan market. But the situation was transformed when the rich London bakers and brewers themselves invaded the provinces ⁶, and wrested the control from the hands of the local dealers whom they were able to outbid by the high prices which they offered ⁷. Moreover the customary market restrictions were relaxed in favour of the London dealers who enjoyed a privileged status. Thus in 1597 the Privy Council ordered that though it was forbidden to sell grain 'out of the markets', yet licensed London dealers might buy from farmers and owners. The local authorities were not permitted to detain corn intended for London, and the metropolitan purveyor went armed with 'testimonials' 'to buy and pass without any stay' ⁸. Hence, while the country dealers were confined to the public market, the London agents were at liberty to buy both in open market and at the farmsteads. As a result the trade of the corn-dealers in the provinces was 'overthrown', and they sank into the condition of 'servants and carriers' ¹ to the London

*Conflict
between
London
and pro-
vincial
dealers.*

¹ *Hertford County Records*, ii. 24.

² *Acts of the Privy Council*, 1597-1598, p. 291.

³ *Annals of Agriculture*, xvii. 596.

⁴ *State Papers Domestic*, 1595-1597, pp. 107, 126.

⁵ *Victoria County History, Hertfordshire*, iv. 208.

⁶ "Now the bakers of London and other citizens travel into the countries and buy their corn of the farmers": Stow, *A Survey of London* (ed. Kingsford), ii. 9.

⁷ *State Papers Domestic*, 1595-1597, p. 107.

⁸ *Acts of the Privy Council*, 1586-1587, pp. 320, 359; 1597-1598, p. 43. *State Papers Domestic*, 1629-1631, p. 493.

buyers. The development of water transport also injured the local dealers who had carried their grain to London by land: when the River Lea was made navigable, the monopoly of those who had built up their business on a system of horse transport was broken down¹. In the case of other towns besides London, the growing needs of an urban population destroyed the barrier of local monopoly, and threw open the corn trade to the uncontrolled activities of the city capitalist. Bristol, for example, successfully petitioned that its "purveyors, drivers and higglers may buy and carry away for the necessary provision of the city such quantities of corn as may be conveniently spared within the markets of this county [Somerset], and that they may freely carry through the county such corn and grain as they shall buy in the counties adjacent"².

The problem of transport.

The functioning of the corn market did not depend alone upon the existence of middlemen to serve as the intermediaries between producers and consumers: it also postulated an efficient system of transport to enable agricultural produce to be conveyed to its destination. It often happened that corn was cheap at the farmstead and dear at the market because it could not be carried from the one to the other³: and for centuries the economic development of the country was hampered by the failure to grapple successfully with the problem of transport.

The upkeep of the roads.

The problem was already a pressing one by the middle of the sixteenth century. The institutions upon which the care of the roads formerly devolved—the monastic houses and the manorial courts—could no longer perform this function, and it became necessary for the State to frame regulations for the maintenance of the highways. Accordingly Parliament in the reign of Mary set up a new machinery for road administration. The Statute of 1555 imposed upon the parish the duty of maintaining the highways. It

¹ *Victoria County History, Hertfordshire*, iv. 209.

² *Quarter Sessions Records for the County of Somerset*, ii. 145; *Acts of the Privy Council*, 1596–1597, p. 226. Similarly for Trowbridge, etc.: *Hist. MSS. Comm. Various*, i. 79–80 (1608).

³ Defoe, *An Essay upon Projects* (1697), 110.

required each parish to appoint two persons to serve as surveyors for one year, while the necessary labour, tools and horses were to be provided by the inhabitants of the parish. Anyone occupying a 'ploughland in tillage or pasture' was to furnish a cart with horses or other cattle and two men; and every other householder 'able to labour and being no hired servant by the year' was to labour on the roads, or send a substitute, for four and subsequently (1563) six days in the year¹. The machinery thus created for the upkeep of the roads—compulsory ('statute') labour and amateur surveyors—was widely different from the modern conception that public functions should be administered by specialized organs supported by compulsory taxes². It embodied the mediaeval principle that the duties of citizenship should be discharged by personal service³, but it was notoriously inefficient. "The work-days appointed by the Statute", complained the Government in 1630, "are so omitted or idly performed that there comes little good by them"⁴; and they became 'by long-established custom' (this was said in 1794) dedicated to 'play and merriment'⁵. The first step towards the modern system of road administration was taken when surveyors were empowered in 1654 to lay an assessment upon the inhabitants of the parish, and to hire labourers and carts for mending the highways⁶. This solution was not generally adopted: indeed it was difficult to ensure the execution of any Act of Parliament⁷ in the absence of some central authority responsible for its enforcement. Moreover the methods of repairing the highways were extremely primitive, for the surveyors were amateurs and had no knowledge of scientific methods. "According

¹ *Statutes*, iv. part i. 284 (1555), 442 (1563). In 1576 persons 'assessed to the payment of any subsidy to £5 in goods or 40s. in lands or above' were required to 'find two able men': *ibid.* 620.

² Webb, *The King's Highway*, 2. A paid official was appointed at Hitchin in 1753: Hine, *The History of Hitchin*, 288.

³ *Supra*, vol. i. 275-276.

⁴ *Orders for the Reliefe of the Poore* (1630). See *infra*, Appendix, p. 502, No. 2.

⁵ Clark, *Agriculture of Herefordshire* (1794), 55.

⁶ *Acts and Ordinances of the Interregnum*, ii. 863-864. Similarly: *Statutes*, v. 374 (1662), 684 (1670); vi. 318 (1691). The rate supplemented 'statute labour': *Hereford County Records*, i. 159.

⁷ Cf. *Statutes*, vi. 315-316.

to the old, common and general way of mending them", said a writer in 1675, it was "absolutely impossible" to have them well mended: instead of removing the mire, it was "beat down and put into the deep holes and cart-ruts", and this, "with some small sprinkling of gravel in some places only, or a few stones", was "the principal and constant way of mending the highways"¹.

Condition
of the
roads.

The growth of traffic gave rise to innumerable complaints as to the evil condition of the roads, particularly after the Restoration. Among the 'works wanting in this nation', Petty enumerated making rivers navigable and highways 'broad, firm and even'². The state of English roads was summed up in 1675 as "not only unpleasant, cumbersome and grievous, but also very dangerous to the lives and limbs both of men and horses"³. Contemporary letters speak of "numberless frights, breaking our axle-tree, horses plunging into holes and sticking fast", as "our daily exercise"; and a barge, in comparison with a coach, was considered 'a feather bed'⁴. Even in 1740 a journey of twenty-two miles sometimes occupied ten hours⁵. The condition of the roads in the metropolis is shown by the fact that in 1727 George II. and his Queen were the whole night in going from Kew Palace to St. James's; and at one place their coach was overturned. In winter it was impossible to travel by carriage: judges and lawyers rode the circuits on horseback. Of the roads from London to Land's End a writer in the middle of the eighteenth century declares that they were still "what God left them after the Flood"; and of some

¹ Mace, *Discourse concerning the Highways of England* (1675), 7-8. A century later Arthur Young met with ruts "four feet deep, and floating with mud only from a wet summer: what, therefore, must it be after a winter? The only mending it receives is the tumbling in some loose stones": *Tour through the North* (ed. 1771), iv. 430-431.

² Petty, *Economic Writings*, i. 29-30.

³ Mace, *Discourse concerning the Highways of England* (1675), 7.

⁴ *Hist. MSS. Comm. Carlisle*, 55 (1729); *ibid. Egmont*, ii. 13 (1665). Lady Perceval wrote in 1679: "I had a small knock on my head the second time my coach overturned, which has a little disordered me and given me a black eye": *ibid. Egmont*, ii. 81. In 1664 money was bequeathed to pay for the daily ringing of a bell at Wokingham to guide strangers to the town: *Victoria County History, Berkshire*, ii. 214.

⁵ *Hist. MSS. Comm. Fortescue*, i. 107. In 1729 a road between Bath and Althorp, 64 miles long, required four days: *ibid. Carlisle*, 61.

main roads in Northamptonshire it was stated, as late as 1813, that the only way to get along in rainy weather was by swimming¹. The economic effects produced by these conditions were described by Henry Homer in 1767. Speaking of the early years of the century he remarks: "The trade of the kingdom languished under these impediments. Few people cared to encounter the difficulties which attended the conveyance of goods. . . . The natural produce of the country was with difficulty circulated to supply the necessities of those counties and trading towns which wanted, and to dispose of the superfluity of others which abounded. Except in a few summer months it was an almost impracticable attempt to carry very considerable quantities of it to remote places"².

The failure to adapt the roads to the traffic suggested the alternative policy—to adapt the traffic to the roads³. ^{*The turnpike system.*} Accordingly regulations were laid down as to the number of horses and oxen drawing waggons, the weight of the loads carried, and the breadth of the wheels⁴: but no adequate progress was possible until Parliament came to recognize that the real solution was to adopt scientific methods of road construction. The defects of the existing methods gave rise to the turnpike system, which embodied the principle that every person ought to contribute to the repair of roads in proportion to the use he made of them⁵. There were mediaeval precedents for imposing tolls on the users of roads⁶; and a Bill was introduced into Parliament in 1622

¹ Pratt, *A History of Inland Transport and Communication in England*, 67, 71, 73. See also Jackman, *The Development of Transportation in Modern England*, i. 85 seq.

² Homer, *An Enquiry into the Means of Preserving and Improving the Publick Roads of this Kingdom* (1767), 4.

³ Pratt, *A History of Inland Transport and Communication in England*, 43.

⁴ *Tudor and Stuart Proclamations* (ed. Steele), i. Nos. 1216 (1618), 1336 (1622), 1598 (1630). *Statutes*, v. 375-376 (1662), 682-683 (1670); viii. 791 (1707). *Statutes at Large*, viii. 53 (1768). *Hist. MSS. Comm.* iv. 169 (1621). Homer, *An Enquiry into the Means of Preserving and Improving the Publick Roads of this Kingdom* (1767), 16-17, 70 seq.

⁵ Homer, *op. cit.* 18.

⁶ Macpherson, *Annals of Commerce*, i. 534 (1346), 552 (1353), 570 (1363). The Act of 1598 required owners of iron works in Sussex, Surrey and Kent to provide materials or money for the repair of the highways according to the quantity of iron, etc., conveyed to their works: *Statutes*, iv. part ii. 919.

for the levy of tolls on a portion of the ' great road and highway to London from the north part of England ' ¹. However, the beginning of the turnpike system proper dates from the Restoration. In 1663 it was enacted that toll should be levied in the counties of Hertford, Cambridge and Huntingdon on ' horses, carts, coaches, waggons, droves and gangs of cattle ', going along the ancient post road from London to Scotland ²; and the money was to be expended in repair of the road, ' the ordinary course appointed by the laws ' being inadequate for the purpose. The turnpike system became common in the eighteenth century though it encountered much opposition ³, and ultimately there were over eleven hundred bodies of turnpike trustees—the trustees being persons of local position authorized by Act of Parliament to construct and maintain a road, and to levy tolls ⁴. They administered eventually twenty-three thousand miles of road, while the highways which did not come within their sphere were maintained by the parish ⁵.

River
transport.

The state of the roads made the carriage of commodities by land difficult and costly. An attempt was made, therefore, to utilize as much as possible an alternative method of transport, namely, river transport^{6a}. The Severn, for example, was the great highway for the West of England ⁶, and it doubtless played its part in the early development of the West Country. The eastern counties were served by the Bedford Ouse, and the Trent was one of the links between the North and South ⁷. As the necessity for improved methods of communication grew more urgent in order to transport raw materials and manufactured articles, as well

¹ *Hist. MSS. Comm.* iii. 27.

² *Statutes*, v. 436 seq.

³ Turnpike gates were sometimes destroyed: *Statutes at Large*, v. 481 (1728).

⁴ Webb, *The King's Highway*, 116. On the defects of the turnpike system, see *ibid.* chapter vii. Defoe proposed that some of the waste should be appropriated to persons who would undertake to repair the highways: *An Essay upon Projects* (1697), 75 seq.

⁵ Elaborate regulations regarding surveyors, number of horses, turnpikes, etc., were laid down in 1773: *Statutes at Large*, viii. 266, 309, 340, 346, 357, 404, 482, 488, 585.

^{6a} For the coasting trade, see *infra*, Appendix, p. 502, No. 3.

⁶ *Statutes*, vii. 621; *Hist. MSS. Comm. Verulam*, 250.

⁷ Pratt, *A History of Inland Transport and Communication in England*, 112, 119, 121. On river navigation, see also Jackman, *The Development of Transportation in Modern England*, i. 157 seq.; and Willan, *River Navigation in England, 1600–1750*, *passim*.

as to supply urban populations with foodstuffs, attention was drawn to the possibilities of river navigation. A number of writers in the seventeenth century, among them Roberts, Robinson, Matthew and Yarranton¹, advised that rivers should be made navigable. The example of Holland, in this as in many other directions², was held up for imitation, and Petty declared that the charge of water carriage in Holland was generally but one-fifteenth or one-twentieth part of land carriage³. It was predicted that navigable rivers would open up the inland trade of the country and facilitate the exchange of commodities, particularly grain and coal, since the cost would be greatly cheapened. As early as 1661 a scheme for linking up with the Severn was intended to enable coal to be brought cheaper to Worcester, Gloucester 'and these lower countries'⁴. The Thames 'barge masters' claimed that goods could be carried by river "at two-thirds of what they now pay by land"⁵. In the case of some commodities the difference in the cost of water transport was represented as enormous. The Ipswich clothiers informed the Privy Council in 1639 that the carriage of fuller's earth from Rochester to Ipswich by water was "not above 2s. a ton, and by land £6 a ton at least"⁶; and in 1698 the Westmorland clothiers stated that cloth conveyed from Kendal to London—a distance estimated by them at only two hundred miles—cost 28s. per pack by land and would only cost 12s. by water⁷. In Kent and Sussex, owing to the badness of the roads, the price of transporting timber was one shilling per load for every mile; and it frequently happened that valuable oak, reputed the best in the kingdom for the purposes of the royal navy, lay two or three years

¹ Roberts, *The Treasure of Traffike* (1641), 44; Robinson, *England's Safety in Trades Encrease* (1641), 42; *England's Wants: Or Several Proposals probably Beneficial for England. By a True Lover of his Country* (1667), 6; Matthew, *A Mediterranean Passage by Water* (1670), 1, 9; Yarranton, *England's Improvement* (1677), 117-118, 189-190.

² *Infra*, vol. iii. 11.

³ Petty, *Economic Writings*, i. 256.

⁴ *Hist. MSS. Comm.* v. 160.

⁵ Yarranton, *England's Improvement* (1677), 189.

⁶ *State Papers Domestic*, 1639, p. 379. But the Merchant Adventurers doubted that there was 'so great a difference' as was represented: *ibid.* 1639, p. 357. For another example, see *ibid.* 1636-1637, p. 119.

⁷ *House of Lords MSS.* 1697-1699, p. 212. For river tolls, see Willan, *River Navigation in England, 1600-1750*, pp. 117 *seq.*

before it could be removed from the places where it was felled ¹.

Obstacles
to improve-
ments.

Two obstacles impeded the attempts at improvement. One was the opposition raised by vested interests. Southampton alleged that the making of a 'passage of water' from Southampton to Winchester would impoverish the former and enrich the latter: "It will take from Southampton all the trade of Oxford and the hither part of Oxfordshire, to whom is sold all or the most part of their wine and linen cloth" ². A proposal to make the River Avon navigable was resisted by Wiltshire landowners on the plea that corn, butter, cheese and other commodities would be brought from remote districts to the markets in their county at lower prices, "which will be a discouragement to husbandry . . . and consequently the rents of land must fall" ³. It was also apprehended that the demand for labour engaged in transport would diminish, a few lightermen replacing hundreds of carriers ⁴: and the stimulus given to the employment of labour in the extractive and manufacturing industries was ignored ⁵. A similar argument was used against the introduction of stage coaches ⁶. A more serious obstacle was the lack of capital. In 1675 the Salisbury corporation resolved to make the River Avon navigable and to expend £2000 on the undertaking: two years later work was suspended until "they may have such assistance by benefactors as may enable them thereunto" ⁷. In other cases the enterprise was financed by local capitalists ⁸; but

¹ *House of Commons Journals*, xxiii. 469 (1740). For Defoe's account of the 'unpassable county' of Sussex, see *An Essay upon Projects* (1697), 109-110.

² *Hist. MSS. Comm. Various*, iv. 170 (1624).

³ *House of Commons Journals*, xi. 495 (1696). Yarranton had urged that the Avon should be made navigable to Stratford: *England's Improvement* (1677), 117-118.

⁴ *House of Commons Journals*, xi. 495; *Hist. MSS. Comm. Various*, iv. 170. Even Defoe used this argument: *A Plan of the English Commerce* (ed. 1728), 227. Contrast *infra*, vol. iii. 55-56.

⁵ Especially in coal-mining: Matthew, *A Mediterranean Passage by Water* (1670), 7.

⁶ *State Papers Domestic*, 1671-1672, p. 57; 1672-1673, pp. 64, 346. *The Grand Concern of England explained in Several Proposals* (1673), 25 seq.

⁷ *Hist. MSS. Comm. Various*, iv. 247.

⁸ E.g. the Aire and Calder and Trent: *Statutes*, vii. 534, 538. Certain persons offered to complete the work at Salisbury: *Hist. MSS. Comm. Various*, iv. 247.

Matthew in 1656 urged that the State should undertake 'this great work' because it was too costly for any individual or corporation, and too profitable if effected¹. A number of Acts were passed for making rivers navigable—early examples are the Lea (1571) and the Thames as far as Oxford (1606)²—yet in the early eighteenth century the bulk of goods was still carried by road on pack-horses or by waggons. The 'Manchester men' and the Yorkshire and Coventry dealers traversed the kingdom with their wares, which they supplied to the country shopkeepers: and West Country cloth was taken by road to London whence it was distributed, again by road, over all parts of the realm³. There was a regular system of 'common carriers', and the rates of land carriage of goods brought by them were fixed by the justices of the peace⁴. Experience, in fact, showed that river navigation suffered from various defects; and in the second half of the eighteenth century artificial water-ways were constructed for the reasons advocated by Dean Tucker. He pointed out that canals were "not subject to inundations or the shifting of the sand and gravel, and are generally much shorter and straighter"; above all, barges could "be drawn by a single horse . . . up or down the stream whether there be a flood or not"⁵.

The turnpike system combined with inland water navigation produced a marked improvement in the system of transport. In 1704 it was complained that some parts of England had neither "navigable rivers nor passable roads to convey our merchandise where they may take a price"⁶. Two generations later (1767) Henry Homer drew a very different picture: "It is probable that there is no one circumstance which will contribute to characterize the

Quickening
of trans-
port.

¹ Matthew, *Of the Opening of Rivers for Navigation* (1656), 14.

² *Statutes*, iv. part i. 553; part ii. 1095. Other examples are the Wye (1651: *Acts and Ordinances of the Interregnum*, ii. 514), and the Aire and Trent (1698: *Statutes*, vii. 534, 538). Applications were made on behalf of the Derwent (*State Papers Domestic*, 1675-1676, p. 389), and of the Don (1726: *House of Commons Journals*, xx. 616).

³ Defoe, *The Complete English Tradesman* (ed. 1732), i. 326-327.

⁴ *Statutes*, vi. 319 (1691); *Statutes at Large*, vi. 409 (1748). For carriers, see Taylor, *The Carriers' Cosmography* (1637); also *infra*, Appendix, p. 502, No. 4.

⁵ Tucker, *An Essay on Trade* (ed. 1753), 116. See *infra*, Appendix, p. 502, No. 5.

⁶ *Hist. MSS. Comm. Cowper*, iii. 29.

present age to posterity so much as the improvements which have been made in our public roads. . . . Despatch which is the very life and soul of business becomes daily more attainable" ¹. Thus the great developments associated with the canal and railway age continued a work already inaugurated.

(IV)

THE CORN LAWS

*The external trade
in corn.*

We have now to speak of the external trade in corn. In the middle of the sixteenth century the Venetian envoy in England wrote: "In some places grain abounds, and there would be much more did not the natives shun fatigue, but they satisfy their wants and seek nothing more" ². Nearly two centuries later Defoe proclaimed that Great Britain, "which may truly be called a corn country", was "now prodigiously increased in the product of corn, and every day more and more increasing do supply a very great part of the trading countries—I mean, on the south and west shores of Europe—with corn whenever their crops fail" ³. Tillage was one of the pillars of the Mercantile System ⁴, and the importance assigned to it is explained in the preamble of an Elizabethan Statute: "The strength and flourishing estate of this kingdom hath been always, and is, greatly upheld and advanced by the maintenance of the plough and tillage, being the occasion of the increase and multiplying of people both for service in the wars and in times of peace, being also a principal mean that people are set on work and thereby withdrawn from idleness, drunkenness, unlawful games and all other lewd practices and conditions of life. . . . And also the said husbandry and tillage is a cause that *the realm doth more stand upon itself*, without depending upon foreign countries either for bringing in of corn in time of scarcity, or for vent and utterance of our own commodities being in

¹ Homer, *An Enquiry into the Means of Preserving and Improving the Publick Roads* (1767), 3, 7.

² *State Papers Venetian*, 1534–1554, p. 354.

³ Defoe, *A Plan of the English Commerce* (ed. 1728), 231; Defoe, *The Complete English Tradesman* (ed. 1727), ii. part ii. 34.

⁴ *Infra*, vol. iii. 1–2.

over-great abundance" ¹. Whether the achievement must be placed to the credit of the Mercantilist State, or attributed, in part at any rate, to favourable seasons and the progress of agriculture stimulated by the growth of an urban population, England became 'a famous kingdom for corn' ². The general trend of mercantilist policy was to encourage producers to grow corn enough to satisfy the nation's requirements and provide a surplus for export abroad. This was done by permitting the export of corn and discouraging its import, except when prices grew excessive. The condition of English agriculture did not favour the practical adoption of this system until after the Restoration. Under Elizabeth and the Early Stuarts statutory enactments professed to give protection to the producer but they were largely illusory ³.

The Corn Laws occupy an important chapter in the economic history of England. They can best be considered under two headings, accordingly as they relate to exportation or importation. The oldest law on the statute-book (1361) forbade the export of corn : in 1394 the prohibition was removed : in 1437 export was allowed when corn did not exceed a certain price (in the case of wheat 6s. 8d. the quarter) : and in 1534 it was permitted subject to the grant of a licence ⁴. The earlier Corn Laws thus embodied the principles of prohibition, modified protection, and Government regulation, that is, they were inspired by the desire to promote the interests of consumers or producers, or to minister to the fiscal needs of the Crown. Queen Mary reverted in 1555 to the Act of 1437 ⁵. This was followed under Elizabeth by an enactment in 1563 raising the limit within which corn might be exported to 10s. the quarter in the case of wheat. In 1571 it was left to the discretion of the local authorities to determine whether prices were "so reasonable and moderate in the several counties where any such transportation shall be intended as

Laws relating to the export of corn.

¹ *Statutes*, iv. part ii. 893 (1598).

² 'Especially for barley': Cooke, *Unum Necessarium* (1648), 25.

³ *Infra*, p. 450.

⁴ *Statutes*, i. 368 (1361); ii. 88 (1394), 295 (1437); iii. 438 (1534). Licences to export had been required under Henry II. The Act of 1534 embodied a policy already put into operation by the Crown: Gras, *The Evolution of the English Corn Market*, 134, 226-227.

⁵ *Statutes*, iv. part i. 244.

that no prohibition shall be made". In 1593 the principle of a scale of prices was revived but the wheat price was now set at 20s. the quarter. This was raised to 26s. 8d. in 1604, 32s. in 1624, 36s. in 1654, 40s. in 1656. The price limit of 40s. was confirmed at the Restoration and advanced to 48s. in 1663¹. These advances were necessitated by the movement of corn prices; yet as the latter always exceeded the statutory price limit, except only in eight years throughout the period 1555 to 1663², it is evident that the policy of protecting the producer masked a consistent determination to safeguard the consumer. The following table shows the statutory price limit and the average of the decade:

Year.	Statutory Price Limit.	Decennial Averages. ³
	s. d.	s. d.
1555	6 8	1551-1560 15 3½
1563	10 0	1561-1570 12 10½
1593	20 0	1593-1602 34 10½
1604	26 8	1603-1612 35 3½
1624	32 0	1623-1632 43 7½
1654	36 0	{ 1653-1662 47 2½
1656	40 0	
1660	40 0	
1663	48 0	1663-1672 35 8½

A further check upon the export of corn was the elaborate machinery of 'The Commission for Restraint of Grain', which controlled the movements of grain and issued licences for transportation abroad⁴.

In practice the statutory price limit was evaded by manipulation of the market. A proclamation issued in 1632 drew

¹ *Statutes*, iv. part i. 425 (1563), 547 (1571); *ibid.* iv. part ii. 855 (1593), 1051 (1604), 1237 (1624); *House of Commons Journals*, vii. 379 (1654); *Act and Ordinances of the Interregnum*, ii. 1045 (1656); *Statutes*, v. 183 (1660), 449 (1663).

² *Viz.* 1570, 1619-1620, 1627 and 1653-1656, according to the prices in Rogers, *A History of Agriculture and Prices*, iv. 290; v. 270-272.

³ *Ibid.* iv. 292; v. 276. Professor N. S. B. Gras, who has thrown fresh light on the early Corn Laws, shows the disparity by another table giving the average price of the three preceding years: *The Evolution of the English Corn Market*, 243 (also pp. 230-232).

⁴ Gras, *op. cit.* 234-236.

attention to the abuse of the system : “ In divers counties *The Act of*
of this realm near the sea coast it hath been practised to buy *1670.*
and provide great quantities of corn, and bring the same unto
or near the sea coast ready for transportation ; and then in
some one or two markets to sell some small quantity thereof
. . . at lower prices than the same were bought ; and, upon
some faint and partial certificate from some justices of peace
or other officers that corn in those markets was sold under
the rates limited by the Statute, have procured the same
to be transported beyond the seas ” ¹. The practice of
creating artificially low prices, in order to escape the re-
strictions imposed by the Corn Laws, may have been partly
responsible for the change of policy made in 1670. An Act
was then passed allowing the export of corn whatever its
price in the home market ². But though the difficulty of
enforcing a price limit may have helped to discredit the
system, its abandonment was due primarily to the desire
to promote the interests of landowners ³ and corn-growers ;
and it was made possible by the progress in agriculture which
was now able to satisfy the national requirements. “ The
encouraging of tillage ”, pronounced the legislature, “ ought
to be in an especial manner regarded and endeavoured, and
the surest and effectualest means of promoting and advancing
any trade, occupation or mistery, being by rendering it
profitable to the users thereof. And great quantities of land
within this kingdom for the present lying in a manner waste
and yielding little, which might thereby be improved to
considerable profit and advantage (if sufficient encourage-
ment were given for the laying out of cost and labour on the
same), and thereby much more corn produced, greater
numbers of people, horses and cattle employed, and other
land also rendered more valuable ” ⁴. The policy of en-
couraging corn-production was carried a stage further after
the Revolution, when the Act of 1689 removed the customs
duty on the export of corn, and the Act of 1699 the subsidy
‘ and all other duties whatsoever ’ ⁵.

¹ Rymer, *Foedera*, xix. 388.

² *Statutes*, v. 685.

³ ‘ For the raising land rents ’ was the opinion expressed in *Britannia Languens* (1680), 156 (in sect. vii.).

⁴ *Statutes*, v. 449 (1663).

⁵ *Ibid.* vi. 63 ; vii. 611.

*Restraints
on the
export of
corn.*

Throughout the period in which the Corn Laws were in operation, permission to send grain out of the country was liable to be withdrawn in times of scarcity. Thus in 1565 a request for corn made by Bruges was refused on account of the dearth in England¹; and in various years the Government issued instructions 'to stay all foreign transportations', in order to prevent 'ill-consequence' to the poor 'and such as get their living by their handy labour'². The general policy of Elizabeth and the Early Stuarts was to permit the export trade in corn only in seasons of plenty³; and the concession was coupled on one occasion with the condition that the exporters "shall not make the prices thereof greater than may reasonably answer them their charges with reasonable profit, and not to exact unreasonable gain of the buyers" abroad⁴—an injunction which may fittingly find a place in the history of commercial ethics. Even after the Act of 1670 threw open the corn trade to the exporter without the restriction of a price limit, an embargo was placed on the transportation of corn in bad seasons. Thus the export of grain was forbidden in 1698 for one year owing to its high price; and the prohibition was revived in 1709, 1741, 1757–1759, and almost continuously from 1765⁵. Then in 1773 the principle of a statutory limit was revived once more, the export of wheat being forbidden when its price was 'at or above' 44s. per quarter⁶.

In pursuance of the principle that the encouragement of tillage ought to be 'in an especial manner regarded'⁷, the system of bounties on the export of corn was instituted. Its purpose was to ensure stability of prices, which would remove the farmer's apprehension of loss in the event of the

¹ *Acts of the Privy Council*, 1558–1570, p. 261.

² *Ibid.* 1599–1600, p. 734; 1613–1614, p. 209. *Hist. MSS. Comm. Various*, i. 305 (1625). *Orders for the preventing and remedying of the Dearth of Grain* (1630). Rymer, *Foedera* xix. 388 (1632).

³ *Acts of the Privy Council*, 1578–1580, p. 222 (1579). *Hist. MSS. Comm. Salisbury*, ii. 216 (1578); iv. 196–197 (1592).

⁴ *Hist. MSS. Comm. Salisbury*, iv. 197 (1592).

⁵ *Parliamentary Papers* (1898), lxxxv. 230–231. See *infra*, Appendix, p. 503, No. 1.

⁶ *Statutes at Large*, viii. 224. Popular outbreaks occurred in 1738 as a protest against the export of corn: *ibid.* vi. 71.

⁷ *Supra*, p. 451.

market being glutted with a surplus of grain. The Act of 1673 provided that when barley or malt was at 24s. a quarter, rye at 32s. a quarter, and wheat at 48s. a quarter or under in any port, "every merchant or other person who shall put on shipboard in English shipping (the master and two-thirds of the mariners at least being his majesty's subjects) any sorts of the corn aforesaid", was to receive for every quarter of barley or malt ground or unground 2s. 6d., for every quarter of rye ground or unground 3s. 6d., and for every quarter of wheat ground or unground 5s.¹ The consequences of the Act soon made themselves felt. "Some wheat is shipped here and gone for Holland", stated a letter from Bridlington (1675), "and much more will be exported if the Act continue unrepealed. . . . Corn is already a considerable price for the encouragement of husbandry, but if this Act be continued it will advance much more, and take much from the revenue, and be very hard for the poor". A correspondent from Falmouth wrote: "Much corn is buying up in those parts for the Canaries and Holland, so that the price is raised since harvest 3s. on twenty gallons and is like to be dearer, for the encouragement the merchant has of 5s. per quarter paid them at the custom-house very much encourages them to buy; so that the Act, which is good for the farmers, is not beneficial to the town". The poor people, he added, "begin to murmur"². The stimulus given to the export trade in corn is shown by the contrast between the years 1660-1672, when no port appears to have sent abroad 'more than 2000 quarters yearly on the average', and the years 1675-1677, when the yearly average for London was 85,949 quarters and for the outports 217,976 quarters—a total of 303,925 quarters³. This marked expansion is partly explained by the increased demand for English corn in Holland owing to the war⁴, but the decline which occurred after the bounty

¹ *Statutes*, v. 781-782. Attention to this Act was first drawn by Professor N. S. B. Gras in *The Quarterly Journal of Economics*, xxiv. 419 seq.

² *State Papers Domestic*, 1675-1676, pp. 377 (Truro), 379 (Bridlington), 403, 433 (Falmouth).

³ Gras, *The Evolution of the English Corn Market*, 113-114.

⁴ *Ibid.* 253.

lapsed in 1681, until it was revived in 1689¹, indicates the influence of the bounty upon the export trade.

Adam
Smith's
criticism of
bounties.

The institution of bounties embodied a cardinal principle of the Mercantile System, namely, that the State should determine the nature of the economic activities of the community, encouraging certain forms by means of subsidies, and discouraging others by the imposition of duties². The Act of 1689, claimed the legislature ten years later, "was grounded upon the highest wisdom and prudence, and has succeeded to the greatest benefit and advantage to the nation by the greatest encouragement of tillage"³. Yet the critics of Mercantilism saw in the system of bounties the supreme example of the folly of State protection. Adam Smith summed up his objections in these terms: "Bounties upon the exportation of any home-made commodity are liable, first, to that general objection which may be made to all the different expedients of the Mercantile System—the objection of forcing some part of the industry of the country into a channel less advantageous than that in which it would run of its own accord; and secondly, to the particular objection of forcing it not only into a channel that is less advantageous, but into one that is actually disadvantageous, the trade which cannot be carried on but by means of a bounty being necessarily a losing trade. The bounty upon the exportation of corn is liable to this further objection that it can in no respect promote the raising of that particular commodity of which it was meant to encourage the production"⁴. The argument that the bounty failed to extend production rested on the assumption that its actual effect was "not so much to raise the real value of corn as to degrade the real value of silver, or to make an equal quantity of it exchange for a smaller quantity not only of corn but of all other home-made commodities; for the money price of corn regulates that of all other home-made commodities"⁵. In other words—though the farmer may sell his corn at an enhanced price and the landlord receive higher rents,

¹ *Statutes*, vi. 63. In 1774 the bounty was paid when wheat was under 44s. per qr.: *Statutes at Large*, viii. 226.

² See *infra*, vol. iii. 21.

³ *Statutes*, vii. 544.

⁴ *The Wealth of Nations* (ed. Cannan), ii. 17-18.

⁵ *Ibid.* ii. 11.

"neither the circumstances of the farmer nor those of the landlord will be much mended by this change"¹, since they will have to pay dearer for everything they buy—labour, provisions and manufactured articles. The bounty might raise the money price of corn but it did not encourage the growth of corn, because it did not increase the 'real revenue' of farmers and so enable them to cultivate much better or employ more labourers. Adam Smith therefore concluded that the bounty was of "very little advantage to those who receive it"², while it was attended with very serious disadvantages to the rest of the community. It imposed a heavy burden upon taxpayers; it made corn 'somewhat dearer' in the home market inasmuch as the plenty of one year was hindered from relieving the scarcity of another; it enabled foreigners to buy our corn cheaper than they otherwise could do and sometimes even cheaper than our own people³; and it raised the general level of prices to the detriment of our manufacturers in foreign markets.

Adam Smith's contention that the bounty was burdensome to the community might be fairly countered by his own admission that 'defence is of much more importance than opulence'⁴. If the effects of the bounty were to stimulate tillage and bring more land under cultivation, then the gain to national security might offset any economic loss. Now two things appeared to indicate that the bounty did stimulate tillage—the fall in prices and the growth of the export trade. Adam Smith admitted that the price of corn had fallen since the introduction of bounties, for he remarked that in the first sixty-four years of the eighteenth century "the average price of the quarter of nine bushels of the best wheat at Windsor market appears, by the accounts of Eton College, to have been £2 : 0 : 6 $\frac{1}{2}$, which is about 10s. 6d. . . . cheaper than it had been during the sixty-four last years of the last [seventeenth] century"⁵. But he attributed

*Effects of
bounties.*

¹ *The Wealth of Nations* (ed. Cannan), ii. 12.

² *Ibid.* ii. 11, 15-16.

³ An argument used by Decker, *Essay on the Causes of the Decline of the Foreign Trade* (ed. 1744), 30.

⁴ *The Wealth of Nations* (ed. Cannan), i. 429.

⁵ *Ibid.* i. 195; Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 43, 97-106; Young, *The Farmer's Letters* (ed. 1768), 45, 50, 60, [contd.]

the "gradual fall in the average price of grain", not to increased production, but to the "gradual and insensible rise in the real value of silver"¹—a proposition disputed by those who considered that the decline in prices was occasioned, not by a rise in the value of silver, but by a fall, in consequence of abundance, in the price of corn². In any case Adam Smith neglected the possibility that the fall might have been due—apart from a succession of favourable seasons—to increased production arising from better technique, the consolidation of holdings, and the cultivation of the waste³. It is reasonable to suppose that the adoption of agricultural improvements, about which we have already spoken⁴, contributed to reduce the price of corn; and Arthur Young claimed that it was the bounty which stimulated farmers to employ improved methods and to break up uncultivated lands⁵. As regards the export trade, Adam Smith explained the expansion of the foreign market on the supposition that there was a corresponding shrinkage in the

67. The annual average prices of wheat at Oxford and Eton, 1646–1770, (and for England, 1771–1896), are given in *Parliamentary Papers* (1898), lxxxv. 253 seq. For Cambridge and Winchester, see *House of Commons Journals*, xxx. 764 seq.

¹ *The Wealth of Nations* (ed. Cannan), ii. 9.

² *The Quarterly Review*, xxix. 220–221. Arthur Young claimed that the prices of other commodities had "advanced a fourth part within these hundred years" owing to the expansion of commerce, but still more to "the infinity of our paper currency"; so that the money prices of corn "do not discover the real sinking of that of wheat": *The Farmer's Letters* (ed. 1768), 50.

³ McCulloch (*The Literature of Political Economy*, 67), while he took a more favourable view of the bounty than did Adam Smith, maintained that the bounty could not have lowered prices since the extension of tillage meant recourse to inferior soils, and therefore involved higher costs. But he appears to overlook the fact that the historical order of cultivation is not necessarily the economic. In other words: the choice of land for purposes of settlement and cultivation may be governed (as at first in America) by considerations which are not solely, nor even primarily, economic. Sometimes the belt of waste surrounding an English village may have been equally, or possibly more, fertile than the land already under cultivation, especially if the latter were exhausted by repeated croppings; and the bounty, in such cases, may have been the cause of the farmer's discovery of the fact. It must also be remembered that pasture land was often broken up because it had become very fertile; while improved technique might make corn-growing profitable on land hitherto considered as unsuitable for the purpose. We cannot therefore assume that an extension of the arable acreage necessarily raised the price of corn, without knowing the attendant circumstances.

⁴ *Supra*, pp. 373 seq.

⁵ Young, *The Farmer's Letters* (ed. 1768), 73.

home market ¹. There is, however, no evidence to show that consumption at home was adversely affected—the growth of population, and the substitution of wheat for rye as the bread-corn of the people ², appear to be indications to the contrary—and the absence of any popular opposition to the bounty after the first year of its inauguration ³ suggests that the growth of the export trade was not ‘at the expense of the home market’.

Adam Smith not only denied that the bounty promoted plenty and so lowered the price of grain, but he also maintained that it kept the price at a higher level since “every bushel of corn which is exported by means of the bounty, and which would not have been exported without the bounty, would have remained in the home market to increase the consumption and to lower the price of that commodity” ⁴. Yet he seems to overlook the consideration that farmers, deprived of the security which the subsidy on corn afforded them, might have been induced by the alternation of low and high prices to contract the arable area and lay the land down to grass. This would have aggravated the deficiency in a bad season and reduced the surplus in a good one: in either case prices would have been on a higher level. To whatever extent the bounty served to keep land under the plough, which would otherwise have gone out of cultivation, it must also have served to keep prices over a long period at a lower level. The gain which the bounty brought to the farmer was greater stability of prices ⁵. The level of prices

They tended to promote stable prices and regular supplies.

¹ *The Wealth of Nations* (ed. Cannan), ii. 10.

² *Supra*, p. 427.

³ *Supra*, p. 453.

⁴ *The Wealth of Nations* (ed. Cannan), ii. 10. Adam Smith argued that the plenty of one year was hindered from relieving the scarcity of another. But Tooke, who was also opposed to the bounty, pointed out that “on the occurrence of scarcity, or rather the approach to it . . . exportation was prohibited; and thus in fact the plenty of the former year did contribute to mitigate the dearth of the scarce year. It is clear that in such cases prices in this country must have been lower than they were abroad, otherwise there would have been no need of prohibition. It is curious that Dr. Smith, in the zeal of his argument against the policy of the bounty, should have kept this circumstance out of view. The omission vitiates a good deal of his reasoning on the subject”: *A History of Prices* (ed. 1857), vi. 384, note.

⁵ Homer, *An Essay on . . . the Inclosure of Common Fields* (2nd ed.), 19. Marshall, *Industry and Trade* (ed. 1920), 749-750, considers that “during the years 1773 to 1792 [when] the English corn trade was left [contd.]

was lower than it had been before the institution of the bounty, but competent observers maintained that the farmer did not experience the wide fluctuations which used to occur; and high prices in some particular years were considered of no advantage comparable with regularity of prices. "Formerly," wrote Gee, "when corn happened to be very low the farmers forbore sowing, and that neglect frequently ended in a scarcity once in three or four years, which put us often under the necessity of sending abroad for corn. But this bounty has encouraged the farmers to keep on their tillage" ¹. Similarly a committee of the Privy Council expressed the opinion that "no market will be plentifully supplied with corn unless some liberty is given of disposing to profit of the surplus for which there may be no demand". The farmer would seek "to produce no more corn than could be sold in the home market at a reasonable profit, and . . . the consequence would be that he would frequently produce less than the home market would demand, and scarcity must sometimes ensue" ². Thus the bounty helped to give corn-producers a greater assurance of steady and uniform prices, and consumers a better prospect of more regular supplies. In short the exceptional circumstances of the farming industry, which the uncertainty of the seasons renders the most highly speculative of all industries, appeared to afford special grounds for giving the corn-grower the security of stable prices as an inducement to keep more land under the plough. The argument for according favoured treatment to the farmer was strengthened by the fact that in bad seasons he was not allowed to export his corn, while foreign corn was imported to bring down his prices. He could not, therefore, obtain the full advantage of a dearth, and might reasonably regard the bounty paid in time of plenty as a compensation for the restraints imposed on his trade in time of scarcity ³.

practically free to follow its own course . . . the price of wheat fluctuated less than during the preceding period". But the record of wheat prices makes this doubtful. See the table of prices in *Parliamentary Papers* (1898), lxxxv. 253-254.

¹ Gee, *The Trade and Navigation of Great Britain* (ed. 1730), 146. Cf. Young, *The Farmer's Letters* (ed. 1768), 75-76. *Infra*, Appendix, p. 503, No. 2.

² 1790: *Annals of Agriculture*, xiii. 363-364.

³ See *infra*, Appendix, p. 503, No. 3.

Among the 'indirect evils of artificial arrangements' for stimulating production, some stress has been laid on 'the openings for fraud and corruption' ¹. The establishment of the bounty system certainly created opportunities for speculation in grain. Corn was exported to Holland, stored there in granaries, and then brought back to England when prices rose sufficiently in this country ². This double cost of carriage ³ was an uneconomical method of supplying the home market, even though the corn-merchant found his profit in the bounty, in the cheaper rates at which money could be raised in Holland, and in the difference between the prices at which the corn was bought and sold. Yet the quantity of imported corn was usually small ⁴, so that this particular mode of abuse of the bounty system was not extensively practised. Moreover there is reason to doubt whether the bounty alone did furnish a sufficient attraction to export corn with a view to its subsequent re-importation. "It may be questioned", wrote the author of *Three Tracts on the Corn Trade and Corn Laws*, "if the bounty, one time with another, pays freight, commission and all other incident charges" ⁵. Another criticism of the bounty is that only the maritime counties were in a position to benefit on account of the difficulties of transport. But inasmuch as London was served by many parts of the kingdom the surplus could be exported from thence, while the inland counties could also send their corn direct to the coast by river transport ^{5a}.

Other criticisms of bounties.

The statistics of the export trade in corn reveal its growth. In 1663 the value of all kinds of grain sent abroad from London amounted to £4315; but from 1699 to 1710 it averaged £274,141 a year, and from 1746 to 1765 as much as £835,394 ⁶. The following tables show the number of quarters of corn exported from 1697 to 1801, and the bounties paid from 1689 to 1765 ⁷:

Statistics of the export trade.

¹ Marshall, *Principles of Economics* (7th ed.), 473.

² Davenant, *Works* (ed. 1771), v. 425.

³ Marshall, *Industry and Trade* (ed. 1920), 749. ⁴ *Infra*, p. 464.

⁵ Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 132. note.

^{5a} See *infra*, Appendix, p. 503, No. 4.

⁶ Davenant, *Works* (ed. 1771), v. 424-425; Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 136.

⁷ "It would have given us great pleasure", wrote Smith (*Three Tracts* [contd.]

QUARTERS OF CORN EXPORTED¹ (1697-1801)

1697-1731.	1732-1766.	1767-1801.
12,367,357	23,627,671	7,254,086

BOUNTIES PAID ON THE EXPORT OF CORN (1689-1765)²

1689-1698	.	.	.	£122,042	17	4
1697-1705	.	.	.	£289,670	14	0
1706-1725	.	.	.	£1,371,032	4	0
1726-1745	.	.	.	£1,769,756	4	2
1746-1765	.	.	.	£2,628,503	4	7

Grain was exported largely to Holland, and at one time it was thought that England would supplant the Baltic lands as the granary of the Dutch³. In addition other parts of the Continent—particularly southern Europe—as well as the American plantations drew supplies of corn from this country⁴. In the early years of George III.'s reign Arthur Young still entertained the belief that these regions might be induced "to buy their corn of us than to cultivate it themselves"⁵. Even near the end of the eighteenth century wheat was sometimes over ten shillings a quarter cheaper in

on the *Corn Trade and Corn Laws*, ed. 1766, p. 119), "to have been able to have begun" the bounty accounts from 1689, "but we do not find them made up further back." Actually they go back to 1689—they are printed for the years 1689-1698 in *House of Commons Journals*, xii. 443. The corn bounty figures for 1697-1765 are given in Smith, *op. cit.* 115-118; and the statistics of exports (1697-1801) in Ernle, *English Farming Past and Present*, Appendix iii. D. For the annual exports and imports of wheat and wheat flour from 1697, see *Parliamentary Papers* (1898), lxxxv. 256. Corn statistics are also given in *House of Lords MSS.* 1708-1710, p. 306; *Annals of Agriculture*, iv. 364; xiii. 354-356, 402-403; and Macpherson, *Annals of Commerce*, iii. 674.

¹ Wheat, flour, barley, malt, rye and ryemeal, oats and oatmeal, peas and beans are included.

² Houghton wrote, in respect of the bounty paid under Charles II.: "I have seen the account of sixty-one thousand and odd pounds in one year": *Husbandry and Trade Improv'd* (ed. 1728), iv. 389. No bounty was paid on corn from February to September 1700, nor during the years when export was prohibited—February 1699 for one year, November 1709 for one year, December 1740 for one year, and December 1756 to March 1759: Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 119.

³ Davenant, *Works* (ed. 1771), v. 407-408; Defoe, *A Plan of the English Commerce* (ed. 1728), 231. But the trade afterwards declined when the Dutch imported much cheaper corn from Poland: Macpherson, *Annals of Commerce*, iii. 428 (1764).

⁴ Davenant, *Works* (ed. 1771), v. 424-425; *Hist. MSS. Comm. Salisbury*, viii. 397 (1598); *ibid. Carlisle*, 125, 149 (1733).

⁵ Young, *The Farmer's Letters* (ed. 1768), 19.

London than at Amsterdam—' the greatest corn market of Europe ', as it was described by the Privy Council in 1790¹—though normally the disparity in price was much less². Before the century closed Arthur Young was constrained to admit that the increase of population had rendered all hopes of a large export trade in corn illusory³.

At Elizabeth's accession England—mainly, though not exclusively, London—was dependent upon imported grain. *The importation of corn.* "Contrary to former times", complained Burghley, "the realm is driven to be furnished with foreign corn"⁴. This was especially the case in bad seasons. Thus in 1597 rye was sold in Newcastle at 96s. the quarter, "sundry starving and dying in our streets and in the fields for want of bread", until the distress was alleviated by the arrival of three Dutch vessels⁵. The dearth was general, and London imported monthly from abroad 112,000 quarters of corn⁶. In the next reign foreign corn was sometimes admitted free of duty⁷; but in 1621, when prices were low⁸, a Bill was introduced to prohibit the importation of corn, the enactment on the statute-book (1463) being inoperative⁹. In the debate which ensued the advocates and opponents of protection marshalled their conflicting arguments¹⁰. The supporters of the measure represented that England was now able to raise enough corn for her needs owing to the cultivation of waste lands; that it was necessary to keep up the price of corn in order to maintain rents and prevent the decay of tillage; and that an embargo on foreign corn would check the drain of money

¹ *Annals of Agriculture*, xiii. 110, 124, 362. American corn was still dearer.

² From 1689–1765 the average price of wheat in England is stated to have been less by 4d. per quarter than on the Continent: Ernle, *English Farming Past and Present*, 261. For freights and insurance, see *Annals of Agriculture*, xxvii. 276.

³ *Annals of Agriculture*, xiii. 180. Also *ibid.* vii. 521.

⁴ *Tudor Economic Documents* (ed. Tawney and Power), ii. 45.

⁵ *Hist. MSS. Comm. Salisbury*, vii. 296 (also pp. xxviii, 148, 206).

⁶ *State Papers Domestic*, 1595–1597, pp. 282, 325, 421.

⁷ *Acts of the Privy Council*, 1613–1614, pp. 263, 410.

⁸ Rogers, *A History of Agriculture and Prices*, vi. 33.

⁹ The Act of 1463 (*Statutes*, ii. 395) prohibited the importation of wheat when the price did not exceed 6s. 8d.—a limit which the advance in prices made inoperative. (Other kinds of grain were also excluded at certain prices.) The Act was repealed in 1624: *Statutes*, iv. part ii. 1238.

¹⁰ See also *infra*, vol. iii. Appendix, p. 492, No. 3; p. 493, No. 2

abroad. On the other side the Bill was condemned on several grounds. It was an innovation 'never attempted before'; it was 'against free trade' and would provoke retaliation in other countries; it was injurious to the poor since even in a good harvest corn was none too plentiful, and in a bad harvest many thousands might starve before rye, 'the food of the poor'¹, could be brought from Danzig; it would diminish the carrying trade and destroy shipping—"the Dutch will give £100,000 to have this Bill stand for twenty-one years"; it would seriously handicap the Eastland Company which imported rye from the Baltic countries in return for English cloth; and finally, "if we banish foreign corn now, they will deny it us when a dearth is"². Corn continued to be imported but the quantity was probably inconsiderable in normal years³. After the Restoration, Parliament adopted the principle which governed English corn policy down to 1773, and was subsequently revived in the Corn Law of 1815: it imposed high duties when the price of corn fell below a certain limit, and low duties when it rose above. In 1660 foreign wheat paid 2s. per quarter when the price of wheat did not exceed 44s. at the place of importation, and 4d. when it did. In 1663 the duty was increased to 5s. 4d. the quarter when the price did not exceed 48s. In 1670 the duty was fixed at 16s. the quarter when the price did not exceed 53s. 4d.; at 8s. when the price was between 53s. 4d. and 80s.; and at 4d. when it was above 80s.⁴. In view of the low level of corn prices⁵ during the next hundred years, the result was to give the corn-producer almost complete protection. On

¹ See *supra*, p. 427.

² *House of Commons Journals*, i. 528, 544-545, 583, 623-624; Rymer, *Foedera*, xvii. 414; *State Papers Domestic*, 1619-1623, pp. 211, 387. It was part of the scheme for the erection of corn magazines (*supra*, p. 435) that when wheat was under 32s. no foreign corn should be sold in the kingdom except for storage or re-export: *Tudor and Stuart Proclamations* (ed. Steele), i. No. 1365 (1623).

³ *House of Commons Journals*, i. 528 (1621); *State Papers Domestic*, 1634-1635, p. 389; 1637-1638, p. 112; Smith, *Three Tracts on the Corn Trade and Corn Laws* (ed. 1766), 38, note—quoting a letter from Rouen, 1619; *Acts and Ordinances of the Eastland Company* (ed. Sellers), 152—proclamation of 1622. Contrast Mun, *A Discourse of Trade from England unto the East Indies* (1621), 48.

⁴ *Statutes*, v. 187, 449, 685. These duties were increased in subsequent years: *Parliamentary Papers* (1898), lxxxv. 231 seq.

⁵ Rogers, *A History of Agriculture and Prices*, vi. 75 seq.

occasion the Act was suspended, and the duties on imported corn were discontinued for a limited time, for example, in 1757 on account of famine and industrial unrest, and again in 1765 and 1767¹.

The Corn Law of 1670 gave effect to the fundamental principle of Mercantilism that a country should be self-supporting². We have already noticed the arguments on which the policy of protection could be supported or condemned³. Its most formidable critic was Roger Coke, who in this, as in other directions⁴, anticipated the arguments of the free trade economists. He pointed out that the Dutch practice of importing corn ensured them plentiful supplies at 'constant and reasonable' prices, and not only safeguarded them against famine but enabled them to furnish other countries, "so as a famine or scarcity of corn becomes their enriching"⁵. It may be questioned whether the restraints on importation conferred any real benefit upon the farmers. In themselves they failed to assure stability of prices since they could not prevent a fall when the harvest was plentiful. The real need of the farmers was a stable market and prosperous customers who would absorb the surplus corn raised in favourable seasons. This implied that the welfare of agriculture was bound up with industry⁶; and the interests of the industrial population were thought to demand the admission of foreign corn in order to check any tendency to soaring prices. It must be remembered, also, that the farmer enjoyed the natural protection afforded by distance. The cost of freightage was a considerable addition to the price of corn brought from Danzig; and in the case of America, which in the eighteenth century was added to the corn-exporting countries, "though land there is cheap labour is dear, and therefore there is little reason to believe that they can undersell in Europe"⁷. In the last quarter of the

*Arguments
against re-
straints on
the import-
ation of
corn.*

¹ *Statutes at Large*, vii. 139, 513; viii. 2.

² *I.e.* as far as possible. See further *infra*, vol. iii. 1.

³ *Supra*, p. 461.

⁴ *Supra*, p. 116, and *infra*, vol. iii. 17.

⁵ Coke, *Treatise* (1675), iv. 106-107.

⁶ Arthur Young dissented from this view: *Annals of Agriculture*, xiii. 180. See also *infra*, vol. iii. 33.

⁷ *Annals of Agriculture*, xxvii. 284. Also *ibid.* xiii. 124. But American flour sometimes sold cheaper than English: *ibid.* x. 580. Corn was imported
[contd.]

eighteenth century, when the foundations of the Mercantile System began to crumble, the growth of population compelled the abandonment of the attempt to make England self-supporting. Even a generation before voices had been raised to press the claims of the industrial population. "The cheaper provisions are in any country", a writer urged in 1738, "the more able will their manufacturers be to undersell foreigners" ¹. The Act of 1773 registered the changing situation. It provided that when wheat was 'at or above' 48s. per quarter, the duty on imported wheat was to be 6d. the quarter ²; below 48s. the former scale of duties came into operation ³. The statistics of the import trade in corn reflect the change ⁴: the volume of imports, hitherto almost negligible by comparison, began now to exceed the exports until the latter dried up altogether.

*Statistics of
the import
trade.*

QUARTERS OF CORN IMPORTED (1697-1801)

1697-1731.	1732-1766.	1767-1801.
770,680	1,423,137	29,724,530

Reviewing the earlier Corn Laws as a whole, two conclusions may perhaps be drawn. It appears evident from the low range of prices that they did not make bread dearer ⁵, while the effect of the bounty was to keep land under the plough which might otherwise have been laid down to grass.

from America, the Baltic and Russia: *ibid.* xi. 428-430; xiii. 359; xxv. 549-551 (America); *Hist. MSS. Comm. Salisbury*, vii. 149 (Baltic), 192, 206 (Russia).

¹ *A Letter from a Merchant . . . The Case of the British and Irish Manufacture of Linen* (1738), 4. Tucker advocated the free import and export of grain: *Annals of Agriculture*, iii. 418.

² *Statutes at Large*, viii. 223. On the Act of 1773, see Barnes, *A History of the English Corn Laws*, 43 seq.

³ These now amounted to 22s. (price not exceeding 44s.) and 17s. (exceeding 44s. but under 48s.): *Parliamentary Papers* (1898), lxxxv. 232-233.

⁴ Printed in Ernle, *English Farming Past and Present*, Appendix, iii. D. Wheat, flour, barley, malt, oats and oatmeal, rye and ryemeal, peas and beans are included.

⁵ This conclusion applies to the Corn Laws before 1815.

APPENDIX

(1) *Page 1, note 1*

As an illustration of conflicting interpretations of the term domestic system, I shall refer here to the definitions adopted in Marshall's *Industry and Trade*, and Cunningham's *The Growth of English Industry and Commerce in Modern Times*.

Marshall¹ defined 'domestic industry' to include "all the various arrangements under which things were made . . . in the homes of the producers"; and he grouped these 'arrangements' in three classes. In the first the producer was brought into "personal contact with those who supplied his requirements and those who bought his products; and he had scarcely any occasion for the services of capitalist traders". In the second the producer had become dependent upon traders for supplying him with some, at any rate, of the materials, "and the greater part of the products had to be sold by aid of traders"; but each producer produced goods at his own risk. The third class consisted of "small master producers, who . . . were independent of external control in all matters of detail; but yet manufactured to the order of capitalist 'undertakers', who bore all the risk of marketing, and often even supplied the material to be worked up". Marshall's first two classes—in which the independent worker, with the assistance of his family or of a hired journeyman and apprentices, worked up goods for disposal by private contract or by sale in open market, either to the consumer direct or to a trader—correspond roughly to what I propose to term the gild system. His third class corresponds to the domestic system, except that I prefer to confine the latter term to dependent workers ('wage-earners') engaged in

their own homes on material supplied by capitalist employers.

Cunningham² opposed capitalism to the domestic system as separate and successive phases of development. "The distinguishing feature of the capitalist, as contrasted with the domestic, system lies in the fact that under the former scheme employers or undertakers own the materials and pay the wages, whereas in the domestic system the workman is his own master; he owns the materials on which he works and sells the product of his labour". According to his account, there were two stages in industrial evolution—the domestic system and the capitalist system, the former existing "from the earliest times till it was superseded" by the latter. Cunningham explained that he used the term domestic system "in the sense in which it was current in Yorkshire at the beginning of the nineteenth century"; but the peculiar form of the domestic system prevalent in the West Riding of Yorkshire was not typical of England in general. It certainly was not characteristic of the greatest cloth-producing area in the kingdom, the West Country, the industrial hearth of England *par excellence* down to the 'Industrial Revolution'; nor was the worsted industry of East Anglia, another great manufacturing area, organized on this basis.

My own interpretation of the domestic system can be best indicated by setting forth the stages of industrial evolution as I view them. I shall distinguish four main stages, which I shall call the "household", the "gild", the "domestic" and the "factory". In the household stage, production was carried on in the family to serve the needs of the family. The women baked their bread, spun wool into thread, and wove thread into cloth: the men ground their corn, tanned leather to make shoes, and fashioned tools and household utensils. This stage differed from the succeeding stages in that it was non-commercial: the producers consumed their own products, and there was no production for sale in a market. In the gild stage³ there existed a market, but the producer was an independent artisan who sold his goods to the consumer where the market was a local one, or to a trader where the market was national

or international ⁴. Hired workers were not unknown ; but the journeymen, at any rate, looked forward to becoming masters when they had accumulated sufficient capital to set up on their own. The independence of the master craftsman in the gild stage was due to the fact that the raw material belonged to him, so that he sold not his labour but the fruits of his labour.

The next stage in industrial evolution marked the advent of capitalism. Under the domestic system, which was widespread in manufacturing industry in the sixteenth, seventeenth and eighteenth centuries, the ownership of the material became vested in the hands of capitalists, who employed wage labour to work it up into finished goods. The domestic system must be regarded as a capitalist system, since the fundamental trait of capitalism is the wage system under which the worker sells the labour itself. The fourth stage, the factory system, emerged when the workers owned neither the material nor the instruments of production, and were assembled under the employer's roof. The ultimate predominance of the fourth stage was due to the introduction of machinery which was incompatible with domestic production in the homes.

The extent to which English industry was organized on a capitalist basis before the ' Industrial Revolution ' has been obscured by the undue attention concentrated on the West Riding of Yorkshire, to the neglect of other centres in England. This is due partly to Defoe's famous description of the West Riding ; and partly to the existence of a very detailed *Report on the State of the Woollen Industry* in Yorkshire, drawn up in 1806. The picture presented in Defoe and in the Parliamentary Report of 1806 is that of an industrial society in which the chief element consisted of " domestic manufacturers " who, unlike the West Country clothiers, were themselves manual craftsmen working with wife and children, sometimes also with apprentices and journeymen. At first sight it looks like a form of the gild system ⁵, but I prefer to regard it as a primitive form of the domestic system, since the Yorkshire clothier controlled *all* the processes connected with cloth-making (except

the finishing processes) : whereas under the gild system (as here defined) there was no centralized control of the industry and the workers in each branch retained their independence.

In drawing any inferences from the organization of industry in Yorkshire it must be remembered that the West Riding also contained a class of large clothiers, whose position was analogous to that of the West Country clothiers, as well as a class of worsted makers who conducted their business on a large scale. Thus even in Yorkshire the influence of capital was often considerable. But, in any case, Yorkshire was not the only industrial centre of England in the seventeenth and eighteenth centuries : nor was it even the most important. England's best markets abroad were supplied by the West Country and East Anglia, and here there existed a highly-developed capitalist organization. The Parliamentary Report of 1803 on the woollen industry in the West of England exhibits a widely different picture from that of the Report of 1806 on Yorkshire ; and it deserves to be better known. It demonstrates how the control of the industry was in the hands of employers who were not themselves artisans, but who owned the material and directed the manufacture at every stage of production. This was the class which for three centuries had controlled and dominated the organization of the woollen industry throughout the West of England.

¹ Marshall, *Industry and Trade* (ed. 1920), 715 seq.

² Cunningham, *The Growth of English Industry and Commerce* (ed. 1907), ii. 497 seq.

³ I use the term 'gild' stage, because it was under the system of independent artisans that the mediaeval craft gilds came into existence. The 'gild' stage could exist apart from the mediaeval craft gilds ; but the latter could function only in the 'gild' stage.

⁴ English cloth was exported abroad in the twelfth century, when there existed gilds of weavers, showing that an international market is compatible with the gild system.

⁵ Held, *Zwei Bücher zur Sozialen Geschichte Englands*, applied the term 'Handwerk' (corresponding to my term 'gild system') to the Yorkshire system.

(I) Page I, note 1A

In commenting upon this passage, a writer has questioned the existence of a 'household' system. But, as E. Heckscher remarks : " Anybody who believes that a natural economy

has never existed after prehistoric times may learn better by studying conditions in Sweden as late as in the sixteenth century" ¹.

¹ Heckscher, *Mercantilism* (revised ed. 1935), ii. 139, note. Cf. also Gras, *Industrial Evolution*, i.

(1) *Page 4, note 3*

The woollen industry was divided into two main branches—the clothing branch or manufacture of short carded wool, and the worsted branch or manufacture of long combed wool. The term 'cloth' was used where both warp and weft were spun from carded wool; and the term 'stuff' denoted that warp and weft were made from combed wool. A third category, 'serge', was created by the mixture of carded and combed wool—the weft being carded yarn and the warp combed yarn. The fabric, whether cloth, stuff or serge, was made up of longitudinal threads laid parallel to each other and intersected by transverse threads. The longitudinal threads constituted the warp, the transverse threads the weft. The main processes of the industry were as follows—*Carding*: to disentangle the locks of wool, and straighten out and interlace the fibres. *Combing*: to lay the fibres parallel with each other, and separate the long wool from the wool of shorter staple. *Spinning*: to draw out and twist the fibres so as to form a continuous thread (termed 'yarn'), either by a distaff (a cleft staff on which was wound the wool) and a whirling spindle, or by a spinning-wheel which gave motion to the spindle by means of a revolving wheel and was known in this country at least as early as 1404¹. *Weaving*: to insert the threads of the weft between the alternate threads of the warp—a narrow loom being worked by a single weaver, and a broad loom by two weavers. *Fulling*: to thicken and shrink the cloth either by trampling it under foot ('walking'), or by pounding it in a fulling mill containing wooden hammers worked by water-power. (The essential difference between woollen and worsted fabrics was that only the former underwent the process of fulling.) *Finishing or 'dressing'*: to 'row', that is, draw out the loose fibres from the cloth with teasles

(plants with prickly leaves) so as to raise a 'nap' on the surface; and to 'shear', that is, crop the nap as closely as possible so as to impart a smooth appearance to the surface. *Dyeing*: to dye the wool before or after it was woven².

¹ *Records of Nottingham* (ed. Stevenson), ii. 23.

² For a detailed account of the technical processes involved in the preparation and manufacture of cloth, see Lipson, *The History of the Woollen and Worsted Industries*, chapter iv. For a seventeenth-century description of the processes by Sir W. Petty, see Birch, *The History of the Royal Society* (1756), i. 55-65.

(1) *Page 5, note 4*

In these volumes I have defined capitalism as a system based on the existence of permanent classes of wage-earners and employers of labour, in which the latter control industry and own its products. The essential feature of capitalism is therefore not 'mass production for mass consumption' though this is now one of its usual traits, but the wage system under which the worker sells not the fruits of his labour but the labour itself. The origin of the wage system is discussed below¹.

¹ *Infra*, vol. iii. 248-249.

(2) *Page 8, note 1*

Even as early as 1589 one Robert Bowes, who had laid out £4000 in salt pans, is said to have employed 300 people in his works¹.

¹ Nef, *The Rise of the British Coal Industry*, i. 404, note 1.

(3) *Page 11, note 1*

The Privy Council in 1620 wrote: "The clothing of the kingdom, wherein so many sorts of people are interested, as namely the wool-grower, clothier, merchant, weaver, spinner, fuller and divers others, is of far more general consequence than any other mistery or trade whatsoever"¹.

¹ *Acts of the Privy Council*, 1619-1621, p. 197.

(4) *Page 12, note 3*

Fuller states that the clothiers of Gloucestershire enjoyed a double advantage—"First, plenty of the best wool growing

therein on Cotswold-Hills . . . Secondly, they have the benefit of an excellent water for colouring their cloth, being the sweet rivulet of Stroud" ¹.

¹ Fuller, *The History of the Worthies of England* (ed. 1662), s.v. Gloucestershire.

(1) *Page 16, note 3*

There are a number of estimates of the cost of manufacturing a piece of cloth ¹. One, for the seventeenth century, is contained in Sir Matthew Hale, *A Discourse touching Provision for the Poor* (1683) ². Others cover the years 1781–1828 ³. An estimate is also given in Postlethwayt, *Britain's Commercial Interest* (1757) ⁴.

¹ See Lipson, *The History of the Woollen and Worsted Industries*, Appendix I.

² Page 15.

³ *Parliamentary Papers* (1840), xxiii. 439 seq.

⁴ Page 342.

(2) *Page 17, note 5*

In the reign of James I. a woman clothier in Devon employed three or four hundred ¹.

¹ *Acts of the Privy Council*, 1621–1623, p. 314.

(3) *Page 20, note 6*

In 1621 the Merchants of the Staple 'exhibited' a bill in Parliament "for restoring them to their trade of shipping cloth", of which they were now 'hindered' by the Merchant Adventurers ¹.

¹ *Commons Debates*, 1621 (ed. Notestein, Relf, and Simpson), vii. 226.

(4) *Page 21, note 4*

The Privy Council was informed in 1621 that fine wool was taken to Worcester and Somersetshire; coarse wool to Suffolk and Norfolk for the new draperies; and the worst wool to Yorkshire, Lancashire and North Wales ¹.

¹ *Commons Debates*, 1621 (ed. Notestein, Relf, and Simpson), vii. 497.

(5) *Page 31, note 5*

There are references in employers' wills to looms 'standing and being' in their workpeople's houses ¹.

¹ Thornton, *A History of Clare, Suffolk*, 204–205.

(1) *Page 34, note 7*

Sir Matthew Hale estimated that three weavers could weave a cloth about 32 yards long in three weeks¹. Postlethwayt was informed that two men and a boy would weave a cloth in 24 days². The size of the cloth is not stated: Massie supposes that it was 26 yards long³.

¹ Hale, *A Discourse touching Provision for the Poor* (1683), 15.

² Postlethwayt, *Britain's Commercial Interest* (1757), 342.

³ Massie, *Ways and Means* (1757), 67.

(2) *Page 40, note 3*

W. Smith, whose *An Essay for Recovery of Trade* was published in 1661, wrote¹: "Weavers seldom take apprentices, as the law enjoins, to accomplish seven years' service, but they take servants by covenant for a year or less time".

¹ Page 5.

(3) *Page 44, note 3*

William Stout, who was born in 1665, relates that "our sister was early taught to read, knit and spin and also needle work". His mother was "not only fully employed in house-wifery but in dressing their corn for the market and also in the fields in hay and corn harvests along with our father and servants"¹.

¹ *Autobiography of William Stout of Lancaster* (ed. 1851), 3.

(4) *Page 44, note 6A*

The spinning wheel was used in England at least as early as 1404¹.

¹ *Records of Nottingham* (ed. Stevenson), ii. 23.

(5) *Page 47, note 4*

There were spinning schools in Scotland in the seventeenth century¹.

¹ See Dean, *Scottish Spinning Schools*, 41 seq.

(1) *Page 49, note 7*

In a wage assessment of 1687 in Buckinghamshire the rate of payment for spinners 'by the day without meat and drink' was fixed at fourpence¹.

¹ *Buckinghamshire Sessions Records*, i. 229.

(2) *Page 53, note 8*

According to Postlethwayt¹ the dressing of a piece of cloth occupied four men for 5 days. The size of the cloth is not stated: Massie supposes that it was 26 yards long².

¹ Postlethwayt, *Britain's Commercial Interest* (1757), 342.

² Massie, *Ways and Means* (1757), 67.

(3) *Page 62, note 1*

W. Hutton, who was bound apprentice at Lombe's silk mill¹ for seven years, relates: "My parents, through mere necessity, put me to labour before nature had made me able. Low as the engines were, I was too short to reach them. To remedy this defect, a pair of high pattens were fabricated and lashed to my feet. . . . The severity [of the treatment] was intolerable"².

¹ *Supra*, p. 103.

² Hutton, *The History of Derby* (1791), 192-193.

(4) *Page 69, note 1*

The distribution of the woollen and worsted industries under the Early Stuarts is roughly indicated in Fuller's list¹—

"East: (1) Norfolk—Norwich fustians. (2) Suffolk—Sudbury bays. (3) Essex—Colchester says and serges. (4) Kent—Kentish broadcloth.

West: (1) Devonshire — kersies. (2) Gloucestershire — cloth. (3) Worcestershire—cloth. (4) Wales—Welsh friezes.

North: (1) Westmorland—Kendal cloth. (2) Lancashire—Manchester cotton. (3) Yorkshire—Halifax cloth.

South: (1) Somersetshire—Taunton serges. (2) Hampshire—cloth. (3) Berkshire—cloth. (4) Sussex—cloth".

"Observe we here", adds Fuller, "that mid-England—Northamptonshire, Lincolnshire and Cambridge—having most of wool, have least of clothing therein". W. Lambard, in his *A Perambulation of Kent* (1576)², declared that the artificers of Kent excelled as makers of coloured woollen cloths, and that from them was "drawn both sufficient store to furnish the wear of the best sort of our own nation at home, and great plenty also to be transported to other foreign countries abroad". In the next century Fuller³ affirmed that "clothing is as vigorously applied here as in any other place, and Kentish cloth at the present keepeth up the credit thereof as high as ever before". None the less the county was unable to maintain its position among the manufacturing districts of England; and under the Hanoverians it was numbered with Hampshire, Leicestershire, Lincolnshire, Northamptonshire, Surrey and Sussex, among the counties which were not employed "in any considerable woollen manufacture"⁴, while Cambridgeshire had "no manufacture at all"⁵. Norfolk, Suffolk and Essex were described by Defoe as "famed for industry"⁶. The heart of the West Country comprised part of the three counties of Gloucestershire—"famous not for the finest cloths only, but for dyeing those cloths of the finest scarlets and other grain colours that are anywhere in England"⁷—Wiltshire and Somersetshire. In the south-west was Devonshire whose original industry was the manufacture of kersies, the boast of Devonshire writers. After the Revolution kersies were displaced by serges, of which the warp was made with combed yarn and the weft with carded yarn: they were thus intermediate between the heavy broadcloth and the light worsted stuffs⁸. The classical description of the West Riding of Yorkshire, with its continuous line of villages growing one into the other and linked up by innumerable hamlets and detached houses, is contained in Defoe's *Tour of Great Britain*⁹.

Mention may be made of other important centres of the woollen industry. Leland in the reign of Henry VIII. wrote of Worcester that no town in England "maketh so many cloths yearly as this town doth"¹⁰. Its prosperity declined,

for in 1575 it was declared that the number of looms had been reduced from 380 to 160, and 5000 persons were thrown out of work. But by the end of Elizabeth's reign the 'trade of clothing' was restored, and the historian of Worcester even claimed that in the seventeenth century its manufacture of broadcloth was "the most considerable of any in England" ¹¹. As late as 1725 the town still carried on 'a great share of the clothing trade' ¹² and was famed for making some of the best broadcloth in England. Coventry in the eighteenth century drove a great trade in 'tammies' ¹³; but Newbury, associated with John Winchcombe ¹⁴, was now stripped of its former glories. The fame of Bristol cloth under the Tudors is reflected in Skelton's description of a gay dress: "Her kyrtle was of Bristowe red". Kendal cottons made from Westmorland wool were "famous all over England" ¹⁵. In former days Manchester, now the metropolis of the cotton industry, was also a seat of the woollen manufacture. "It excels", wrote Camden in 1586, "the towns immediately around it in handsomeness, populousness, woollen manufacture, market, church and college, but did much more excel them in the last age by the glory of its woollen cloths, which they call Manchester cottons" ¹⁶.

¹ Fuller, *The Church-History of Britain* (ed. 1655), cent. xiv. book iii. 112.

² Pages 11-12.

³ Fuller, *The History of the Worthies of England* (ed. 1662), s.v. Kent.

⁴ Defoe, *Tour of Great Britain* (ed. 1724), i. letter ii. 37.

⁵ *Ibid.* (ed. 1724), i. letter i. 119.

⁶ *Ibid.* (ed. 1724), i. letter i. 119.

⁷ *Ibid.* (ed. 1725), ii. letter iii. 64.

⁸ Cf. Hoskins, *Industry, Trade and People in Exeter*, 12, note 2, 16, 39-40.

⁹ (Ed. 1727), iii. 97 seq. (quoted in Lipson, *The History of the Woollen and Worsted Industries*, 243-245).

¹⁰ *Supra*, vol. i. 506.

¹¹ Green, *The History and Antiquities of Worcester*, i. 290.

¹² Defoe, *Tour of Great Britain* (ed. 1725), ii. letter iii. 69.

¹³ *Ibid.* (ed. 1725), ii. letter iv. 126. Tammies are a species of worsteds.

¹⁴ *Supra*, vol. i. 476.

¹⁵ Fuller, *The History of the Worthies of England* (ed. 1662), s.v. Westmorland.

¹⁶ Camden, *Britannia* (ed. 1586), 428-429. See Lipson, *The History of the Woollen and Worsted Industries* (chapter vi. on Geographical Distribution).

(1) Page 69, note 6

The majority of the blanket weavers of Witney resembled the small Yorkshire clothiers. They were working craftsmen,

who owned their material and were responsible for most of the processes: some employed several journeymen, others were assisted only by an apprentice ¹.

¹ Plummer, *The Witney Blanket Industry*, 15-16.

(1) *Page 76, note 8*

The wages of a journeyman weaver in the North of England, mentioned in the text, refer to the late eighteenth century. His earnings in the seventeenth century may be illustrated by a Lancashire wage assessment (for the hundred of Blackburn) in 1673. "No journeyman weaver, fuller, cloth-worker, shearman or dyer shall not take for his wages above fourpence with meat and drink, and without meat and drink not above eightpence. And if he be hired by the year", he was to receive £2 : 10s. per annum (or £3 if 'very skilful') ¹.

¹ Hardwick, *History of Preston*, 406.

(2) *Page 83, note 1*

The view that 'la petite industrie' was better suited for carded wool (*i.e.* the woollen industry) and 'la grande industrie' for combed wool (*i.e.* the worsted industry) was advanced by Dechesne ¹, and accepted by Mantoux ² and Ashley ³. It was represented that combed wool was more expensive—yet at the same time more easily worked—than carded wool. Hence the higher price of the raw material (combed wool) called for considerable capital, while the workmanship was less skilled and therefore could be made more dependent on the capitalist employer. This view is criticized in the text ⁴.

¹ Dechesne, *L'Évolution Économique et Sociale de l'Industrie de la Laine en Angleterre*, 69-70.

² Mantoux, *The Industrial Revolution* (English edition), 67.

³ Ashley, *The Economic Organization of England*, 148.

⁴ *Supra*, p. 83.

(3) *Page 83, note 3*

The fact that Yorkshire supplied yarn to Norwich ¹ may well have suggested to Yorkshire men the possibility of working up the yarn at home and entering into competition

with Norfolk manufacturers ; and the fact that labour was apparently cheaper in the North than in Norwich made the experiment feasible.

¹ Defoe, *Tour of Great Britain* (ed. 1724), i. letter i. 91.

(1) *Page 84, note 1*

The introduction of the worsted trade opened up a new page in the history of Yorkshire, whose staple industry in early times had been the manufacture of a coarse cloth called 'kersey', though broadcloth was also made in the county. In 1727 Defoe enumerated shalloons (worsted cloth) along with broad woollen cloth and narrow woollen cloth (kersies) as "the three articles of that country's labour"¹. The competition of Yorkshire with other centres of industry began to attract attention in the early decades of the eighteenth century. T. Cowper in 1741 remarked: "Though some towns have sunk in trade, others have advanced. For I remember, in my time, the rise of some towns and the fall of others in that [woollen] manufactory—viz. Sudbury, and I think Farnham, were famous for making shalloons, as was also Newbury. , Then Kettering, a little market town in Northamptonshire, from manufacturing 20 or 30 pieces of dyed serges weekly fell into making shalloons, rivalled the towns above mentioned, and sent to London market upwards of 1000 pieces per week. Yorkshire hath rivalled them since by under-working them, and very much decreased their trade, as also lowered their prices ; they have also robbed the West and East ; for I am told they not only make long ells but bays in imitation of Bocking bays, and sell them much cheaper for the reasons afore-said"². A writer in *The Gentleman's Magazine* (1743)³ replied to the allegation of "the woollen trade in the West being removed into other parts of the kingdom, particularly to Halifax and the western parts of Yorkshire". He claimed that "this is true only of one inconsiderable branch, viz. white bays". In 1748 Morant asserted that the trade of Colchester had "removed in a great measure into the West and northern parts of this kingdom, where provisions

are cheaper, the poor more easily satisfied, and coals are very plentiful" ⁴. Nearly two decades later Massie drew attention to the migration of woollen manufacturers from the south-west to the northern counties. "Our woollen and other manufacturies are travelling northward, where greater plenty of firing and cheaper rates of other common necessities of life, or very small taxes, favour their increase much more than in our southern counties" ⁵. It is evident that in the eighteenth century the dormant energies of the North were being quickened to new life. A fresh impulse seems to have communicated itself to the people, who began to turn to advantage the vast potential resources of which they were possessed. Their thrifty and hardy character, their resourcefulness and adaptability were immense assets in the task which they now took upon themselves to wrest from Norwich and the Stroud valley their industrial supremacy over the rest of England. The 'Industrial Revolution' assured them the final victory in this struggle largely on account of the comparative ease with which machinery was introduced into the North.

¹ Defoe, *Tour of Great Britain* (ed. 1727), iii. 99.

² Cowper, *A Short Essay upon Trade in General* (1741), 39.

³ Page 142.

⁴ Morant, *The History and Antiquities of Colchester* (1748), book i. 75.

⁵ Massie, *Observations on the New Cyder-Tax* (1764), nos. III and IV.

(1) Page 85, note 5

Apart from the extractive industries (agriculture and the mining of alum, coal, copper, iron, lead and tin) as well as the building industry—where the work had naturally to be done away from the workers' dwellings—there were numerous manufacturing industries in which the operatives worked in the employer's establishment. These included brewing ¹, brick-making ², calico-printing ³, copper and brass (smelting and battery works) ⁴, glass-making ⁵, iron (foundry and forge) ⁶, linen (cambrics and lawns) ⁷, net-making ⁸, paper-making ⁹, pottery manufacture ¹⁰, rope-making ¹¹, salt-making ¹², ship-building ¹³, silk (mills for throwing) ¹⁴, soap-boiling ¹⁵, sugar-refining ¹⁶, tailor-

ing¹⁷, tapestry-making¹⁸, woollen (mainly finishing processes)¹⁹.

¹ *Infra*, p. 483, No. 1.

² *Supra*, p. 113, note 4; *infra*, vol. iii. 329.

³ *Infra*, vol. iii. 42.

⁴ *Supra*, p. 176.

⁵ *House of Commons Journals*, xii. 281; and *infra*, vol. iii. 367.

⁶ *Supra*, pp. 164, 179.

⁷ *Supra*, p. 111.

⁸ *Hist. MSS. Comm. Buckinghamshire*, 294.

⁹ *Infra*, vol. iii. 352, note 2.

¹⁰ *Infra*, vol. iii. 57, 60.

¹¹ *Infra*, vol. iii. 57, 389.

¹² *Infra*, vol. iii. 365.

¹³ *Supra*, p. 58; *infra*, vol. iii. 180.

¹⁴ *Supra*, p. 103.

¹⁵ *Supra*, p. 113, note ; *infra*, vol. iii. 363.

¹⁶ *Supra*, p. 113, note 4.

¹⁷ *Infra*, vol. iii. 403

¹⁸ *Victoria County History, Warwickshire*, ii. 263.

¹⁹ *Supra*, pp. 51, note 6, 53, 84-85; *infra*, vol. iii. 57, note 10.

(1) *Page 91, note 5*

A shopkeeper in a provincial town (Lancaster), William Stout, has left an autobiography¹ which throws valuable light on contemporary business practices. A Quaker in religion, methodical in his habits, economical yet generous to others, he achieved a substantial competency by painstaking attention to his business and careful savings. Born in 1665 he sprang from yeoman stock. His father, "a very industrious husbandman", farmed a few acres. He received his education first at a dame school and after at the free school; but as he grew older he was often taken away to assist in tending the sheep, helping at the plough, making hay and shearing—"so that we made small progress in Latin, for what we got in winter we forgot in summer". He was sent to a boarding school at thirteen years of age; and when sixteen he was bound apprentice for seven years to a grocer and ironmonger, his father undertaking to pay a premium of £20 and "to find me all apparel". The apprentices slept in the shop² and were mostly employed "in making up goods for the market day", and "in delivering out goods". Upon the expiry of his term (1688) he set up in business with a capital of £120 inherited from his father. He visited London where he bought £200 worth of goods, paying each tradesman "half ready money as was then usual to do by any young man beginning trade"; and Sheffield where he laid out £20 "in Sheffield and Birmingham manufactures"³. Altogether he furnished his shop with goods to the value of £300 in preparation for midsummer

fair. He lodged in his shop of which the annual rent was £5, and boarded with an alderman at £5 a year for " victuals and washing ". Although he traded in Lancaster he was not a freeman of the town, since as a Quaker he could not take the oath of admission. At the end of the first year " I inspected my books . . . but found that I had been too forward in trusting and too backward in calling, as is too frequent with young tradesmen. I found I should have occasion to hire some money at interest and thereupon borrowed £40 upon bond ", for which two securities " were bound with me. . . . Upon casting up my shop ⁴ I found that I had sold goods for ready money about £450 and upon credit about £150. And with the value of goods in the shop and cellar I computed that I had gained this year about £50 besides shop rent and boarding ". After two years he took an apprentice for seven years for a premium of £20, " I to find him maintenance and his mother clothes all the term ". When his apprentice was ' loose ', he sold him his goods, chests and scales " to be paid at six, twelve and eighteen months ". " The profit [of the shop] to me then was at least £100 a year ". He had lost £220 in nine years' trading (1688-1697) by 248 insolvent debtors on his books, but his ' clear estate ' was estimated at £1100. After giving up the retail trade he stood " a sixth part share " in a new ship of about eighty tons and provided part of the cargo ⁵. He also ' ventured ' a parcel of woollen, linen and other goods with an intending emigrant to Pennsylvania ⁶. In these and other investments in ' foreign merchandising ' he suffered losses amounting to several hundred pounds and was " wholly discouraged from adventuring abroad ". In 1701 he purchased the stock of a wholesale grocer and supplied country shopkeepers without keeping an open shop but with a warehouse. Subsequently (1704) he resumed retail grocery and hardware trade. He retired from business when sixty-three years old worth £5000, the equivalent in purchasing power of at least £25,000 of modern money ⁷. He spent his leisure reading and writing and walking in the fields or his garden, his taste for books embracing " religious books or history, geography, surveying

or other mathematical sciences " ⁸ ; and he died in 1752 at the age of eighty-seven. His autobiography contains many interesting details on his business ⁹ as well as caustic comments on his neighbours ¹⁰.

¹ *Autobiography of William Stout of Lancaster* (ed. Harland, 1851).

² " I attended the shop in winter with the windows open . . . till about 9 in the evening, and with the windows shut and the door open till ten o'clock ". " We were frequently called up at all times of the night to serve customers, [which] obliged us to have a bed in the shop ".

³ Visits to Sheffield involved 6 days, 2 for the journey out, 2 for his business, 2 for the journey back.

⁴ *I.e.* taking stock.

⁵ His ' share ' amounted to £100. The ship, *Employment*, made a voyage to Virginia in November 1698 with a cargo costing £360, and returned July 1699 " not much more than half laden with tobacco, so made a losing voyage. My part of the cargo outward was £61 : 8s. and the freight of my share £49 ; and my part of the tobacco received was 5697 lb. which at 3d. a lb. on board, as the market price then was, came to £71 : 4 : 10, so that I lost by this voyage £39 : 4s." (*sic*). Another unprofitable voyage was made to Barbados. " What I sent to lade my part was in butter, cheese, tallow, candles and beef " to the value of £161. " In return she brought me sugar, cotton, wool (*sic*. ? cotton wool), and ginger ". In 1701 the *Employment* was fitted out for Norway " which yielded me above £10 clear gains "—the only occasion when he made a profit " in this or any other ship or adventure ". The *Employment* came to an unlucky end. In 1702 she was captured by the French but released for a ransom ; on her way home she was wrecked ; and so Stout lost his ' sixth share of the ship ' and part of the cargo—altogether over £300.

⁶ They were to the value of £110. He died at sea, and " I lost at least £70 after four years' delay before we got what was to be had ".

⁷ Some light on the purchasing power of money is thrown by the fact that in 1730 Stout gave up housekeeping and boarded and lodged for £12 a year. He allowed his nephew with wife and child £40 a year to live upon. They lived in ' a little house ' at a rent of £3 : 16s. Both Stout's apprentice and his nephew who in turn took over his shop became insolvent after a few years' trading : they evidently lacked the qualities which made Stout a successful man of business.

⁸ He mentions the Bible, Fox's *Acts and Monuments* and Eachard's *History of England*.

⁹ He states that his master sold prunes at 3 lb. for 4d. and bought them for about 8s. or 9s. a cwt. (a profit of about 50 per cent). Tobacco bought at 2d. a lb. was retailed at 6d. " which caused a great consumption ". Tobacco at one time accounted for one-third of Stout's trade " and the most profitable ", while iron was one-fourth part.

He also relates that he did not attempt to entice any of his master's or neighbours' customers, " which was a practice much then used ". Again : " I always detested that [which] is common—to ask more for goods than the market price or what they may be afforded for, but usually set the price at one word, which seemed offensive to many who think they never buy cheap except they get abatement ".

¹⁰ " I now did after supper walk an hour or two in my garden when it was the custom of my neighbours to sit together in an alehouse, entertaining themselves in vain conversation or impertinent reflections on the private affairs of their neighbours, or on the public affairs of state ".

(1) *Page 94, note 4A*

In 1586 the Levant Company wrote to the Aleppo factors: "For cotton yarn we would have you send us 60 bags at the least; whereof some 20 or 30 bags may be of the biggest [*i.e.* coarsest] you can get, and the other [of the] finest you can get; for the great sort serveth for candles, and the smallest for fustians"¹. In 1604 Sanderson wrote from London to Constantinople—"I have sent you what you writ for". The list includes fustians, thus showing that cotton goods were already being exported².

¹ *The Travels of John Sanderson in the Levant* (ed. Foster), 131.

² *Ibid.* 226.

(2) *Page 103, note 4*

An account is given by W. Hutton, who was apprenticed at the silk mill¹. The statement² that Lombe's mill was erected at Cromford is, of course, wrong. It was on an island in the River Derwent.

¹ Hutton, *The History of Derby* (1791), 197, 202.

² Clapham, *An Economic History of Modern Britain*, i. 191.

(3) *Page 105, note 1*

In spite of the frame, hand-knitting for the market survived in many places on a small scale during the eighteenth century¹.

¹ Pinchbeck, *Women Workers and the Industrial Revolution*, 226 seq.

(4) *Page 110, note 4*

A writer in 1689 stated that: "The French Protestants at Ipswich have lately made finer linen than ever was made in England"¹.

¹ *A Discourse of the Growth of England in Populousness and Trade* (1689), 257.

(5) *Page 112, note 1*

Foreign linen paid about 13 or 14 per cent.¹ French linen paid a heavier duty, and the effect was to increase

the importation of German linen². The Act of 1745 forbade the wearing of cambric or French lawn³.

¹ *A Letter from a Merchant . . . The Case of the British and Irish Manufacture of Linen* (1738), 12.

² *Hist. MSS. Comm. Kenyon*, 270-271; *Gee, The Trade and Navigation of Great Britain* (ed. 1730), 16.

³ *Statutes at Large*, vi. 290.

(1) Page 112, note 4

At first the consumption of coal was confined mainly to smiths and lime-burners, and did not become general for domestic purposes until the sixteenth century. The prejudice against coal died hard. As early as 1308 protests were raised that coal contaminated the atmosphere¹. In the last quarter of the sixteenth century the Company of London Brewers undertook to burn only wood in the brewhouses in the vicinity of the palace at Westminster, since Queen Elizabeth was "annoyed with the taste and smoke of the sea-coals used in their furnaces"². (Sea-coal was apparently so-called because originally it was gathered on the seashore, but the term was afterwards applied to coal brought by sea; and a place where it was sold in London still preserves the name of Sea Coal Lane.) In the reign of Elizabeth's successor, who was accustomed to coal in his northern home, coal became—in the words of a contemporary—"the general fuel of this Britain Island, used in the houses of the nobility, clergy and gentry in London and in all the other cities and shires of the kingdom"³. It was said of Pembroke-shire in 1603 that coal "is so necessary as without it the country would be in great distress. [It] serveth most people and especially the chief towns"⁴. Yet as late as 1684, in a letter to his wife the writer remarked: "This is but like the rest of your malice . . . in sitting in an outer room to entertain company by a coal fire, as if I refused you wood"⁵.

The progress of the coal trade under Elizabeth and the Early Stuarts is reflected in the statistics of shipments of coal at Newcastle. Near the beginning of Elizabeth's reign (1564) they totalled 32,951 tons; while towards the end (1598) they mounted to 162,552 tons⁶. Under James I. (1609) they reached 214,305 tons⁷; and under Charles I.

(1634), 452,625 tons⁸. Imports into London nearly trebled between 1592 (34,757 tons) and 1615 (91,599 tons)⁹.

¹ Humphreus, *History of the Company of Watermen and Lightermen*, i. 21.

² *State Papers Domestic*, 1547-1580, p. 612.

³ 1612 : Galloway, *Annals of Coal Mining*, i. 126-127.

⁴ Owen, *The Description of Pembrokeshire* (1603 : ed. Owen, 1892), 87.

⁵ *House of Lords MSS.*, 1697-1699, p. 67.

⁶ Nef, *The Rise of the British Coal Industry*, i. 21.

⁷ *Supra*, p. 113, note 9.

⁸ Nef, *op. cit.* i. 21.

⁹ *Ibid.* i. 21.

(1) Page 113, note 4

M. Ticquet who visited England in 1738 has left an account of the coal industry¹.

¹ Archives Nationales O¹ 1293 : quoted in Nef, *The Rise of the British Coal Industry*, i. 222, 237. See Introduction (*supra*, p. xl.).

(2) Page 113, note 8

“ 'Tis Coal that makes our Britain Great,
Upholds our Commerce and our State ”¹.

¹ Quoted in Moller, “ Coal Mining in the Seventeenth Century ”, in *Transactions of the Royal Historical Society*, 4th series, viii. 95.

(3) Page 116, note 2

In *Hist. MSS. Comm. Leeds*¹ it is stated that coal sold at Rouen “ for £12 or £13 the 100 barrels, or measure proportionable to three Newcastle chaldrons ”. But the Archives Nationales are cited² for the statement that at French ports 100 barrels were approximately 15 tons (or 6 Newcastle chaldrons).

¹ Page 291.

² Nef, *The Rise of the British Coal Industry*, ii. 222, 372.

(4) Page 118, note 4A

The provincial trade in coal along the east and south coasts constituted an important part of the coasting trade¹.

¹ See Willan, *The English Coasting Trade*, 62-68.

(5) Page 118, note 8

According to Povey¹, coal vessels which formerly had 7s. or 8s. for every chaldron of coal “ are now [1701]

brought to half the sum. They used to gain £15 or £20 a voyage”.

¹ Povey, *The Unhappiness of England as to its Trade* (1701), 5.

(1) *Page 119, note 1*

“It seems probable that nearly half of all the coal miners in Great Britain at the end of the seventeenth century worked for collieries employing a hundred or more hands”¹.

¹ Nef, *The Rise of the British Coal Industry*, ii. 140.

(2) *Page 121, note 4*

In addition to the three joint-stock companies¹, it has been shown that there were scores of colliery partnerships, of which some even had the device of transferable shares. The system of joint-ownership of the collieries enabled capital to be pooled. It became possible to raise capital without the hazards of borrowing on mortgage, and it also distributed the risks of a mining enterprise over a wider area. Thus two types of collieries emerged, based on different methods of finance. Many continued to be operated by a single capitalist: others were financed by partnerships².

Apart from loans on mortgage by merchants acting as private bankers, and advances made by municipal bodies³, the two main sources of the capital invested in coal-mining were—(1) landowners, e.g. the Lowthers of Cumberland and the Willoughbys of Nottinghamshire⁴; and (2) merchants in London, Newcastle and other provincial centres. The large landowner as a rule probably financed his own collieries. Merchants tended to form partnerships, partly because they might lack the technical knowledge, partly because their main interests were remote from the coal fields, and partly from a financial aversion to putting all their eggs in one basket. The rise of a managerial class—of which we obtain glimpses in the mediaeval lead-mining industry⁵—would widen the area from which capital could be drawn, since it relieved the colliery owners of direct responsibility for working the enterprise. It is therefore significant that in the

seventeenth century there had already developed in the coal industry a class which assumed the functions of management ⁶.

¹ Scott, *Joint-Stock Companies*, i. 332 ; ii. 462.

² Nef, *The Rise of the British Coal Industry*, ii. 43-45, 49-50, 60-61.

³ *Supra*, p. 121.

⁴ *Supra*, p. 125 ; *infra*, vol. iii. 208, 214.

⁵ *Supra*, vol. i. 509.

⁶ Nef, *op. cit.* i. 429.

(1) *Page 122, note 1*

" The dangers in digging these coals is the falling of the earth and killing of the poor people . . . or else the sudden eruption of standing waters in old works " ¹.

¹ Owen, *The Description of Pembrokeshire* (1603 : ed. Owen, 1892), 91.

(2) *Page 124, note 1A*

An Act of the Scottish Parliament in 1606 laid down that colliers might not be hired without a " testimonial of their master whom they last served . . . or at least sufficient attestation of any reasonable cause of their removing made in presence of any bailiff or magistrate " ¹.

¹ *The Acts of the Parliaments of Scotland* (ed. 1816), iv. 286-287.

(3) *Page 124, note 3*

This example qualifies the statement ¹ that nothing is known of the history of the bonding system during the seventeenth century.

¹ Nef, *The Rise of the British Coal Industry*, ii. 165.

(4) *Page 125, note 2*

Miners in Pembrokeshire at the beginning of the seventeenth century worked from six to six, and rested an hour at noon ¹.

¹ Owen, *The Description of Pembrokeshire* (1603 : ed. Owen, 1892), 91.

(5) *Page 125, note 8*

A Lancashire wage assessment (for the hundred of Blackburn) in 1673 provided that no collier " skilful in getting of coals shall take wages by the day without meat and drink above 10d ". The daily maximum for a ' filler

or drawer of coals ' was 6d. and for a ' bankesman or drawer up of coals ' 8d.—both without meat and drink ¹.

The conjecture in the text that piece-work wages were not unknown at an early period is confirmed by the colliery accounts of Gower, Glamorganshire, dated 1400, which show that coal-hewers were paid by the piece ².

Among the varied forms of employing labour in the coal-mines one resembles the *métayage* system, under which miners surrendered to the owner a fixed proportion of their output and enjoyed the free disposal of the rest ³. Similar practices existed in the case of other minerals ⁴.

¹ Hardwick, *History of Preston*, 406.

² They are printed in Nef, *The Rise of the British Coal Industry*, ii. Appendix K.

³ Nef, *op. cit.* ii. 153.

⁴ *Supra*, pp. 169-170.

(1) Page 126, note 1

We may infer from a comparison of the rates paid to coal-hewers in 1610 and in 1675 ¹ that—even allowing for variations in wage rates in different parts of the country—wages in the coal-mining industry tended to remain stationary after the rise due to the revolution in the level of prices. It has been surmised that the trend of miners' wages was exceptional, but the textile workers afford a parallel ².

¹ *Supra*, pp. 125-126.

² *Supra*, pp. 33-34.

(2) Page 126, note 4

Wages were always higher in the northern parts about Sunderland and Newcastle than in Cumberland. In 1708 a coal-hewer, working on piece-rates, received 10d. or 12d. per score of baskets, which was apparently an average daily output. The chief banksman had 16d. a day, and the other banksmen 14d. a day. The charge for two barrowmen was about 20d. or 22d. a day ¹.

¹ J. C. *The Compleat Collier* (1708: ed. 1845), 35, 39.

(3) Page 127, note 3

Lord Harley's chaplain speaks in 1725 of 800 keels. This has been considered ¹ an overstatement on the ground that

there were only 1600 keelmen about the year 1707, which would imply about 400 keels. The estimate of 1600 is contained in a rival petition of the keelmen² whose argument required that they should understate the number. But in any case the quantity of coal shipped from the Tyne in 1725 was nearly twice the quantity in 1707³, a year of war; and as the chaplain was evidently a precise and careful observer, his figure was not perhaps unduly wide of the mark.

¹ Nef, *The Rise of the British Coal Industry*, i. 389, note 1.

² *Records of the Hostmen* (ed. Dendy), 172, 176.

³ *Ibid.* 260-261.

(1) *Page 127, note 4*

This shows that mobility of labour was a feature of the coal industry, as also it was of the iron industry¹. Miners were not invariably indigenous, since some were imported from Scotland²; and other elements of a floating population may have been attracted or coerced.

¹ *Supra*, p. 168.

² Nef, *The Rise of the British Coal Industry*, ii. 147-149.

(2) *Page 128, note 3A*

The Hostmen of Newcastle instituted a selling agency in 1603, 1617 and 1622; but in 1627 each sold on his own¹. A MS. memorial of 1605 states that "the Hostmen that deal in coal have appointed eight clerks, and every clerk hath his quarter where he shall sell. . . . Now no coal-owner is a seller to any merchant that would buy, but serveth as a storer to their eight clerks"². There was also a selling agency in 1637³.

¹ *Records of the Hostmen* (ed. Dendy), 45, 64, 68, 72.

² Taylor, "The Archæology of the Coal Trade", in *Proceedings of the Archæological Institute (Memoirs of Northumberland)*, 1852, vol. i. 173.

³ *Infra*, p. 490, No. 1.

(3) *Page 129, note 3*

Subsequently the increased size of the vessels made it impracticable to require all of them actually to load at Newcastle, and those of larger burden were mainly loaded at Shields¹.

¹ *Supra*, p. 153.

(1) *Page 135, note 6*

Yet as early as 1618 independent coal-fitters bought coal from the coalowners and sold it to the shippers ¹.

¹ Nef, *The Rise of the British Coal Industry*, ii. 132, note 2.

(2) *Page 136, note 2*

The fact that the coal-fitters, who were the middlemen between the coalowners and the shippers, sometimes owned their own ships affords evidence of integration in the coal industry. Similarly, some of the Hostmen, in addition to being coal merchants at Newcastle, were coalowners ¹. At the other end of the coal trade (the metropolis), some London merchants were part owners of ships; or they entered into contracts for delivery, which virtually destroyed the independence of the shippers who became parties to a contract. This practice of advancing money to the shipper to buy coal in return for an undertaking to deliver the cargo to a particular merchant existed as early as 1598 ². There is also evidence of integration in the textile industry (the clothier sometimes owned his own flock or was a merchant exporter) ³, and in the iron and copper industries ⁴.

¹ *Supra*, p. 131.

² Nef, *The Rise of the British Coal Industry*, i. 445.

³ *Supra*, pp. 18, 25.

⁴ *Supra*, pp. 164-165, 177. Also see *infra*, vol. iii. 214-215.

(3) *Page 137, note 1A*

The system of 'gift coal' or overplus measure has been regarded ¹ as a concession exacted by the shippers from the coalowners, when owing to over-production "the market at Newcastle was glutted with coal". But the shippers themselves claimed that this 'overplus' was 'their very livelihood' ². It was reported to the Privy Council in 1625 that the Hostmen gave the shippers over-measure to induce them to accept the inferior quality which was mingled with the better grades ³.

¹ Nef, *The Rise of the British Coal Industry*, ii. 91-92.

² *Supra*, p. 137.

³ Nef, *op. cit.* ii. 249.

(1) *Page 137, note 1*

Charles I.'s agreement with the Hostmen and coalowners provided that all coal should be sold to the King alone. Factors were appointed to vend each owner's coal in a due proportion. The Hostmen were to choose eleven representatives to determine "what number of tens¹ every colliery and Hostmen shall furnish towards making up the whole quantity of coals to be vented that year"². This agreement thus instituted a selling agency and a 'stint', and made the King the sole purchaser of all the coal handled by the Hostmen.

¹ See *supra*, p. 131, note 4.

² Taylor, "The Archæology of the Coal Trade", in *Proceedings of the Archæological Institute (Memoirs of Northumberland)*, 1852, vol. i. 222; Welford, *History of Newcastle and Gateshead*, iii. 356-357.

(2) *Page 137, note 3*

In 1638 the wholesale price of coal had risen to 26s. the London chaldron 'in the Pool'¹.

¹ *State Papers Domestic*, 1637-1638, p. 422. For the Pool, see *supra*, p. 138.

(3) *Page 138, note 4*

Crimps are mentioned as early as 1675¹.

¹ Nef, *The Rise of the British Coal Industry*, i. 431, note 7.

(4) *Page 141, note 4*

We have noticed in the text price agreements in the coal and iron industries and the provision trades¹. In 1773 Lord Hardwicke wrote that the publicans in Westminster had combined to raise the price of porter "and a greater necessary than porter in this immense unruly town we all know there is not"². The practice of concluding price agreements was of long standing. In the Middle Ages the judges were instructed to hold an inquiry into the combinations formed by merchants, which "set from year to year a certain price on wool for sale in the country, so that none of them will buy or bid more than others in the purchase of wool, beyond the fixed price which they themselves have

ordained''³. We also hear of mediaeval provision dealers who combined to raise the price of food⁴.

¹ *Supra*, pp. 128, 136, 140, 151, 165, 178, 422, 436-437.

² *Home Office Papers, 1773-1775*, pp. 9, 12-14.

³ Quoted in Holdsworth, *A History of English Law* (ed. 1938), xi. 478.

⁴ *Statutes*, iv. part i. 58 (1548).

(1) *Page 142, note 6*

In 1446 the London Fishmongers' Company distributed coal to the poor under a bequest for an annual distribution¹. In 1554 the Common Council of London voted a tax to provide sea-coal 'for the succour of the poor'².

¹ Humpherus, *History of the Company of Watermen and Lightermen*, i. 49.

² Nef, *The Rise of the British Coal Industry*, i. 196.

(2) *Page 145, note 3*

The Royalists surrendered Newcastle to the Scots in October 1644¹.

¹ Gardiner, *History of the Great Civil War* (ed. 1886), i. 499.

(3) *Page 146, note 3*

The retail price of coal per London chaldron in March 1665 was £3 : 10s., "and will be £5 in a day or two"¹.

¹ *Hist. MSS. Comm.* vi. 364.

(4) *Page 148, note 3*

A writer in 1701 observed: "To my knowledge the best coals in the Pool¹ have been sold for 18s. or 18s. 3d. per chaldron this last summer, out of which 7s. 2d. is to be deducted; viz. 5s. to the king, 18d. towards the rebuilding of St. Paul's, and 18d. [*sic* read 8d.] metage; besides the charges of labourers that deliver them, and the clearing at the custom-house, with the chaldron they are obliged to give gratis into every score". He stated further that the usual price of good coal at Newcastle was £4 or £4 : 4s. a keel; and that every keel generally made 15 chaldrons in the Pool, which amounted to over 5s. per chaldron. The charges at Newcastle came to near 15d. per chaldron. So when the

whole was computed there was not left above 3s. per chaldron freightage for the owners. The coal-dealers were at 4s. expense per chaldron, besides the prime cost—they paid 9d. for lighterage, 6d. to the porters that loaded the coal into the carts, 8d. metage, 2s. or 2s 6d. 'to the teams' ².

Povey states that every chaldron in the Pool yielded 1s. 6d. for the rebuilding of St. Paul's Church, which brought in every year 'one with another' near £25,000 ³.

¹ *Supra*, p. 138.

² Povey, *The Unhappiness of England as to its Trade* (1701), II, 12, 29, 30.

³ *Ibid.* 59.

(1) *Page 148, note 4*

Other schemes for Crown ownership of the coal trade were put forward in 1628 and 1665 ¹.

¹ Printed in Nef, *The Rise of the British Coal Industry*, ii. 272 seq. and Appendix J.

(2) *Page 151, note 3*

As early as 1603 it was said: "They now most commonly sink down right 12, 16 or 20 fathoms before they come to the coal, whereas in old time four fathoms were counted a great labour" ¹.

¹ Owen, *The Description of Pembrokeshire* (1603: ed. Owen, 1892), 90.

(3) *Page 154, note 1*

The State tax applied only to coast-wise shipments, not to river-borne coal. In addition the price of coal shipped from the North of England to the South was increased by local charges (Newcastle dues, London dues and 'the Richmond shilling'). It has been pointed out ¹ that the chief centre of colliery enterprise (the Tyne valley) and one of the principal seats of manufactures (the Thames valley) carried a heavier fiscal burden than the rest of the country. Their handicap must have served to stimulate coal-mining and foster industrial expansion in the Midlands, Lancashire and Yorkshire. It may also be conjectured that the duties levied on English coal exported abroad ² encouraged the growth of coal-mining on the Continent. In this, as in

other directions, fiscal policy was a contributory factor in determining the trend of economic evolution.

¹ Nef, *The Rise of the British Coal Industry*, ii. 313.

² *Supra*, p. 116, note 6.

(1) *Page 155, note 1*

Similarly, during the Seven Years' War (1762), colliers were "deterred from putting into the river" by fear of sailors being impressed ¹.

¹ Hoskins, *Industry, Trade and People in Exeter*, 133.

(2) *Page 161, note 4*

A contemporary, William Stout, relates in his *Autobiography* ¹ that the Swedish War caused iron "to advance here from £16 to £24 a ton, which has induced this country to build furnaces here to run iron, which makes it as good as Swedish iron, and brings a great benefit to the north part of this county where mines and coals are plentiful and labour cheap".

¹ Page 94.

(3) *Page 165, note 2*

The discovery of MSS. records (1690-1750) reveals a 'high degree of integration' among a group of ironmasters in South Yorkshire who owned iron mines, charcoal leases, furnaces, forges, and slitting mills for the nail trade ¹.

¹ Raistrick and Allen, "The South Yorkshire Ironmasters", in *The Economic History Review*, ix. No. 2, 168, 178.

(4) *Page 166, note 5*

Sometimes the furnace men were paid piece rates ¹.

¹ Raistrick and Allen, "The South Yorkshire Ironmasters", in *The Economic History Review*, ix. No. 2, 174.

(5) *Page 167, note 1*

The London (Quaker) Lead Company, which existed from 1692 to 1905, showed concern for the well-being of its workpeople ¹.

¹ See Raistrick, *Two Centuries of Industrial Welfare*.

(1) *Page 168, note 2*

Stubs, a file-maker, brought workmen to Warrington at considerable cost ¹.

¹ Ashton, *An Eighteenth-Century Industrialist*, 25.

(2) *Page 175, note 1*

The volumes containing the minutes of court meetings have been recently discovered ¹.

¹ Davies, "The Records of the Mines Royal and the Mineral and Battery Works", in *The Economic History Review*, vi. No. 2, 209 seq.

(3) *Page 181, note 4*

A Cumberland colliery owner formed a benefit fund in 1786 at his collieries. His employees were required to pay 6d. per week, and the employer contributed one-third of the sum subscribed ¹.

¹ Raistrick, *Two Centuries of Industrial Welfare*, 47-48.

(4) *Page 187, note 1*

There is also a list of English exports and imports during the Interregnum ¹.

¹ Ashley, *Financial and Commercial Policy under the Cromwellian Protectorate*, Appendix B.

(5) *Page 188, note 6*

The total of general exports is made up of English and Scottish merchandise (£24,304,283 : 13 : 6) and Irish, colonial and foreign merchandise (£18,847,735 : 12s.). The corresponding real marketable values are represented at £39,471,203 and £16,359,640 (the total is £55,830,843). "The excess of the official, beyond the marketable, value of [Irish, colonial and foreign] merchandize exported is chiefly owing to an old-established error in rating coffee for exportation very much above its real value" ¹.

¹ Macpherson, *Annals of Commerce*, iv. 536.

(6) *Page 189, note * (and page 250, note 2)*

'A Scheme of the Trade' drawn up in 1674 ¹ stated that "for all England we calculate one-third part more",

that is, for the outports add one-third of the London total.

¹ *Infra*, vol. iii. 101.

(1) *Page 192, note 1*

The Merchant Adventurers in 1621 described apprenticeship as "the nursery and seminary of merchants", which supplied "the wonted education of the younger sons of the gentry and a great number of others of honest quality in this land, which hath been heretofore the raising of many good families from small beginnings and the recovery of many decayed houses of the gentry of this kingdom" ¹.

¹ *Commons Debates*, 1621 (ed. Notestein, Relf, and Simpson), vii. 238.

(2) *Page 192, note 5*

In 1713 a 'clothworker and merchant, free of trading to the Levant', received a premium of £800 with an apprentice ¹.

¹ *Surrey Apprenticeships, 1711-1731* (Surrey Record Society), 107.

(3) *Page 194, note 4*

During the war with France in 1697 an English merchantman was taken by the French, and soon after retaken by a Dutch privateer and restored to the owners upon payment of about 15 or 20 per cent. 'for salvage and other charge' ¹.

¹ *Autobiography of William Stout of Lancaster* (ed. 1851), 46.

(4) *Page 194, note 5*

A writer in 1695 adduced arguments against the convoy system during the war with France under William III.—namely, "the inconvenience and danger attending our trading in fleets" under convoy of warships, *e.g.* the enemy could contrive to intercept our convoys ¹.

¹ *Some Thoughts concerning the better security of our Trade and Navigation* (1695), 5.

(5) *Page 215, note 1*

The commissioners for trade reported to the Privy Council in 1626 that "the State hath always had an interest

in settling the residence of companies beyond the seas. . . . Without direction from the State residency may not be changed by any company " ¹.

¹ *Acts of the Privy Council*, 1626, p. 438. Cf. *supra*, p. 212.

(1) *Page 216, note 1A*

Similarly, among the Merchant Staplers freedom was acquired " by patrimony, redemption, by free gift commonly called gratis, and apprenticeship " ¹.

¹ *The Ordinance Book of the Merchants of the Staple* (ed. Rich), 132.

(2) *Page 218, note 1*

The regulations governing the institution of apprenticeship among the Merchant Staplers provided that the apprentice should not be under sixteen years of age nor over twenty-four years, and that he should serve nine years 'at least'; he was to remain unmarried 'except licensed'. A master was permitted to have only two apprentices at a time, though past mayors and 'lieutenants' (deputy mayors) might have three apprentices ¹.

¹ *The Ordinance Book of the Merchants of the Staple* (ed. Rich), 134-135.

(3) *Page 220, note 3*

The Merchant Staplers exercised control over their apprentices ¹.

¹ *The Ordinance Book of the Merchants of the Staple* (ed. Rich), 189.

(4) *Page 223, note 6*

The Ordinances of the Merchant Staplers, dated 1565, laid down that " there shall be but two general shippings in one year " ¹.

¹ *The Ordinance Book of the Merchants of the Staple* (ed. Rich), 142.

(5) *Page 224, note 2*

Similarly, the Merchant Staplers appointed ' days of shows ' ¹.

¹ *The Ordinance Book of the Merchants of the Staple* (ed. Rich), 155.

(1) *Page 225, note 1*

Among the Merchant ·Staplers the 'stint' fixed the amount for past and present office-holders, married members and bachelors. The reason assigned for drawing these distinctions was that—"Forasmuch as in all bodies politic and corporations of fellowships the members and parts of the same be not of equal authority and reputation, but there is a greater respect to be had to the superiors than to the inferiors, in that most commonly those be at greater charge in keeping their estate and family than the other" ¹.

¹ *The Ordinance Book of the Merchants of the Staple* (ed. Rich), 149.

(2) *Page 232, note 3*

The concept of a 'well-ordered and ruled trade' was expressed in the Preamble to the Ordinances of the Merchant Staplers (1565), which speaks of the "commodity and benefit [which] heretofore grew to the whole Company by good orders and laws, and by the contrary no commonwealth or society can stand or endure" ¹.

¹ *The Ordinance Book of the Merchants of the Staple* (ed. Rich), 104.

(3) *Page 236, note 5*

It was stated in 1621 that "the old [Company of] Merchant Adventurers had brought the tare of the cloth in the Low Countries to be made in the mart town only and in the dry cloth". The Dutch "in the late new Company's time" (*i.e.* Cockayne's Company ¹) "ordained that the tare should be made at home at the dwelling of the buyer after he hath brought his cloth out of the mart town, which course hath augmented the tare or abatements for faultiness to £8000 a year more than before". It was also affirmed that the practice at Hamburg against making tares except in the mart town and in the dry cloth "alone within these ten or eleven years last past hath saved them and this kingdom £50,000 at least" ².

¹ *Infra*, vol. iii. 379.

² *Commons Debates*, 1621 (ed. Notestein, Relf, and Simpson), vii. 235, 237.

(1) *Page 254, note 1*

Shrewsbury maintained its hold upon the Welsh cloth manufacture for a long period ¹.

¹ See Dodd, "The Story of an Elizabethan Monopoly", in *Economica* (June 1929), No. 26, 197 *seq.*

(2) *Page 273, note 2 (and page 337, note 2)*

W. Ravenhill, the clerk of the London Grocers' Company, claimed in 1682 that "the merchants trading to the Levant Seas and other societies have originally been the offspring of this society, as appears by ancient records of indentures of apprentices to members of this Company" ¹. Since the Levant Company was closely connected with the East India Company ², it follows that the latter can trace part of its ancestry to the Grocers' Company.

¹ Ravenhill, *The Case of the Company of Grocers Stated* (1682), 1.

² *Supra*, p. 273.

(3) *Page 289, note 3*

At first the East India Company built its own ships, and James I. granted a subsidy towards the cost ¹. It also bought ships ². But the question early arose whether it were better to hire ships, and in 1607 inquiry was to be made "for substantial ships well-manned, victualled and furnished at £30 freight per ton" ³. In the next reign (1627) the Company was urged to forbear building any more ships, but this course was considered to be less profitable ⁴. Then in 1629 it was thought fit to let the members choose whether to hire ships or not. Some wanted to hire them, and the directors decided to hire half the number of ships. However the governor (chairman) declared that "he conceived that it was not absolutely settled" ⁵. The controversy persisted; some wanted to sell old vessels rather than repair them, shut up the dockyards, and hire ships; and in 1639 a privately-owned ship was 'freighted [*i.e.* hired] on trial' ⁶. During the Interregnum the practice of hiring ships instead of building or buying them became established ⁷. Under Charles II. the Company adopted the practice of hiring ships specially constructed for the voyage to India ⁸. According

to Povey⁹ the owners of East India ships received £24 the ton freightage, though during the war with France the price dropped to £18¹⁰.

¹ *State Papers East Indies*, 1513-1616, p. 284.

² *Ibid.* 1617-1621, p. 188.

³ *Ibid.* 1513-1616, pp. 153, 156.

⁴ *Ibid.* 1625-1629, pp. 422-423.

⁵ *Ibid.* 1625-1629, pp. 661, 663-664, 672.

⁶ *Court Minutes of the East India Company*, 1635-1639, pp. 154, 322, 332-333, 342.

⁷ *Ibid.* 1655-1659, p. xxxiii.

⁸ *Ibid.* 1668-1670, p. vii.

⁹ Povey, *The Unhappiness of England as to its Trade* (1701), 4.

¹⁰ For an account of the 'shipping system', see Sutherland, *A London Merchant*, 81-125.

(1) Page 289, note 4

The largest man-of-war (*Princess Royal*) was 1200 tons¹.

¹ Marsden, "English Ships in the Reign of James I.", in *Transactions of the Royal Historical Society*, N.S. xix. 310.

(2) Page 317, note 1A

In 1660 the navy commissioners reported on the petition of the Eastland merchants that nearly £15,000 was due to the Company for hemp; and a warrant was issued to pay the sum due to the Eastland merchants¹. This petition would not justify the assumption that the Eastland Company traded in a corporate capacity. It was apparently nothing more than an application made on behalf of individual members who had supplied the hemp.

¹ *State Papers Domestic*, 1660-1661, pp. 403-404.

(3) Page 346, note 2

The factors were remunerated by a commission. A London merchant wrote to Sanderson in 1600: "You put 4 per cent. for factorage; I will allow but 2½". Sanderson replied: "I will not have my factorage pared. . . . I take and always have taken 5 per cent. (or 4 at least) of all my friends or foes that commit any their matters to me. . . . They that find cheaper factors, let them use them"¹. Among the records of the Levant Company are preserved some copybooks of factors' letters, "which describe the

problems of buying, shipping, transport, marketing, finance, as well as the social life " ².

¹ *The Travels of John Sanderson in the Levant* (ed. Foster), 202.

² See the valuable article by Ambrose, "English Traders at Aleppo, 1658-1756", in *The Economic History Review*, iii. No. 2, 246 seq. On the Levant factories, see also Wood, *A History of the Levant Company*, 59 seq., 229 seq.

(1) *Page 366, note 10*

It was said in 1660 that "sixty houses of English merchants existed at Lisbon, while in Spain there were two of them" ¹.

¹ *State Papers Venetian*, 1659-1661, p. 228.

(2) *Page 368, note 3*

It has been stated ¹ that "the acquisition of the Assiento did not, in fact, prove hurtful to English trade in Old Spain". A contemporary account does not support this view. A correspondent at Seville wrote in 1718—"The West India merchants at the despatch of galleons won't lay out a penny in British woollen manufactures, for they say the permission Assiento ships so plentifully furnish the West Indies with all sorts of woollen goods, and can sell them 30 to 40 per 100 cheaper than they can by carrying them from Spain, that they can't employ their money but to loss; so that what formerly of those countries went from Spain runs now in another channel to the lessing the trade of Spain to these parts" ².

A commercial treaty between England and Spain in 1667 allowed the establishment of English consuls, and some are said to have been appointed with ill-defined powers ³. But the British envoy in Spain wrote in 1716 that the king of Spain had established a number of English consuls in the Spanish ports—a thing "almost impossible to obtain hitherto" ⁴.

¹ McLachlan, *Trade and Peace with Old Spain*, 74.

² *Hist. MSS. Comm. Polwarth*, i. 638.

³ McLachlan, *op. cit.* 22, 75-76, 175.

⁴ *Hist. MSS. Comm. Polwarth*, i. 45.

(1) *Page 373, note 3*

The Royal Society appointed a committee to collect information about agricultural practices from all parts of the British Isles ¹.

¹ The more important information resulting from a questionnaire, issued in 1664, is summarized in Lennard, "English Agriculture under Charles II.: The Evidence of the Royal Society's 'Enquiries'", in *The Economic History Review*, iv. No. 1, 23 seq.

(2) *Page 389, note 5*

The account book of the Thornborough estate in the North Riding of Yorkshire (1749-1773) shows the daily agricultural wages ¹.

¹ Gilboy, "Labour at Thornborough", in *The Economic History Review*, iii. No. 3, 388 seq.

(3) *Page 392, note 4*

J. Massie's calculations assumed a family of six—a man, wife and four children. He computed the yearly consumption of bread-corn among "manufacturers or common working people" at "six bushels a head for men, women and children upon an average" ¹.

¹ Massie, *Brief Observations and Calculations on the present high Prices of Provisions* (1765).

(4) *Page 424, note 5*

The early history of the Assize of Ale is given above ¹. In 1604 Parliament fixed the price of ale and beer sold in alehouses ². The Assize of Ale lapsed at an earlier date than the Assize of Bread. In the Middlesex Records even the formal order for the enforcement of the Assize of Ale ceases to recur after 1692 ³.

¹ *Supra*, vol. i. 293 seq.

² *Statutes*, iv. part ii. 1026.

³ Dowdell, *A Hundred Years of Quarter Sessions*, 183.

(5) *Page 432, note 3*

The common law rules regarding forestalling, engrossing and regrating were not repealed until 1844 ¹.

¹ Holdsworth, *A History of English Law* (ed. 1938), xi. 472.

(1) *Page 438, note 1*

It was stated in Parliament in 1621 that "London spends 5000 or 6000 quarters of corn a week" ¹.

¹ *Commons Debates*, 1621 (ed. Notestein, Relf, and Simpson), v. 171.

(2) *Page 441, note 4*

Indictments were framed against offenders for not sending or finding a suitable person to mend the highways on the appointed six days ¹. In one instance the surveyor of the highways (a maltster) was himself indicted for not giving notice in the parish church of the six days to be allotted for the repair of the highways ².

¹ *Surrey Quarter Sessions Records*, 1661-1663 (Surrey Record Society), 148; *ibid.* (1663-1666), 84.

² *Ibid.* (1661-1663), 106.

(3) *Page 444, note 5A*

There was also a considerable coasting trade—not only in coal ¹ but in other commodities. In the late seventeenth century at least 20 ships were employed annually in carrying the cheese of Lancashire and Cheshire from Liverpool and Chester to London ². Goods sent from London to Lancaster by ship took seven days ³. In war time sailing in convoys involved much delay, and land carriage was 'quick if dear' ⁴. During the French war under William III. goods sent by land from London to Lancaster cost from 5s. to 6s. 6d. a cwt. ⁵

¹ *Supra*, pp. 117-118.

² *Autobiography of William Stout of Lancaster* (ed. 1851), 25.

³ *Ibid.* 21.

⁴ *Ibid.* 29.

⁵ *Ibid.* 70. For the organization of the coasting trade (shipmasters and shipowners), see Willan, *The English Coasting Trade*, 20, 34-54.

(4) *Page 447, note 4*

Taylor, the 'water poet', was a Thames waterman ¹.

¹ See Taylor, *Late Tudor and Early Stuart Geography*, 115 *seq.*

(5) *Page 447, note 5*

A recent study—which stresses the importance of the early improvements in river navigation—observes that "it is true that some canals were designed to overcome the dis-

advantages of river navigation, but at first more were planned as a supplement to, rather than a substitute for, the existing water communications ”¹.

¹ Willan, *River Navigation in England, 1600-1750*, pp. 16 seq., 138, 140.

(1) *Page 452, note 5*

Riots were widespread in 1766 owing to the price of corn¹.

¹ *Home Office Papers, 1766-1769*, p. 80.

(2) *Page 458, note 1*

J. Massie defended the corn bounty¹: “Is not that bounty an assurance to the farmers of the lands of England that they will not be ruined by plentiful crops of corn? Hath not that assurance reduced the average price of wheat . . . while, on the other hand, the land rents of England have been rising? Have not that reduction in the price of corn”, in conjunction with other factors, contributed to the expansion of the exports of woollen manufactures? “The bounty hath lowered the average price of bread to about two-thirds of the price it was sold for before the bounty on corn was granted”.

¹ Massie, *Observations on the New Cyder-Tax* (1764), No. X.

(3) *Page 458, note 3*

It is unnecessary to notice the insubstantial comments made upon the view in the text. The contention that, but for the bounty, prices at home might have been lower overlooks the consideration that without the bounty the arable area might have been contracted—thus leading to much higher prices.

(4) *Page 459, note 5A*

Stout, writing under the year 1734, stated that “great quantities of corn [were] shipped off from London and the south ports of England to most foreign parts”. The next year “corn at London and the South, where [it] is shipped, is cheaper than it is here in the North”¹.

¹ *Autobiography of William Stout of Lancaster* (ed. 1851), 126-127.

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